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12 August 2025

Mr Andrew Nicholls  
Chief Executive Officer  
NSW Independent Pricing and Regulatory Tribunal  
Via email

Dear Mr Nicholls,

**Re: AusEnergy Services' (ASL's) (Formerly known as AEMO Services Limited) functions as the Consumer Trustee in FY2024-25**

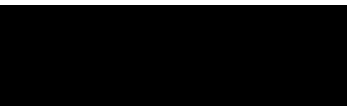
Please find attached a copy of the NSW Consumer Trustee Section 70(1) Report (the Report) which describes how ASL exercise of its functions as the Consumer Trustee (CT) under the *Electricity Infrastructure Investment Act 2020* (NSW) (EII Act).

The Report outlines ASL's functions it performed as the CT under the EII Act including:

- whether and how ASL exercised its functions in FY2024-25 and where functions were not exercised for FY2024-25, an explanation of why;
- any information about the exercise of those functions in FY2024-25 that ASL considers would be useful to help the Minister and the public understand ASL's work as the CT;
- information as requested by the Minister from the CT under section 70(3) of the EII Act; and
- any information about ASL's plans for FY2025-26 which may be of use or interest to IPART and the Minister to whom the report will be submitted.

Should you require any additional information, ASL's contact officer for this matter is Javed Mower, General Manager Governance and Risk or Akash Agarwal, Head of Compliance & Assurance.

Yours sincerely,



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**Chief Executive Officer ASL**



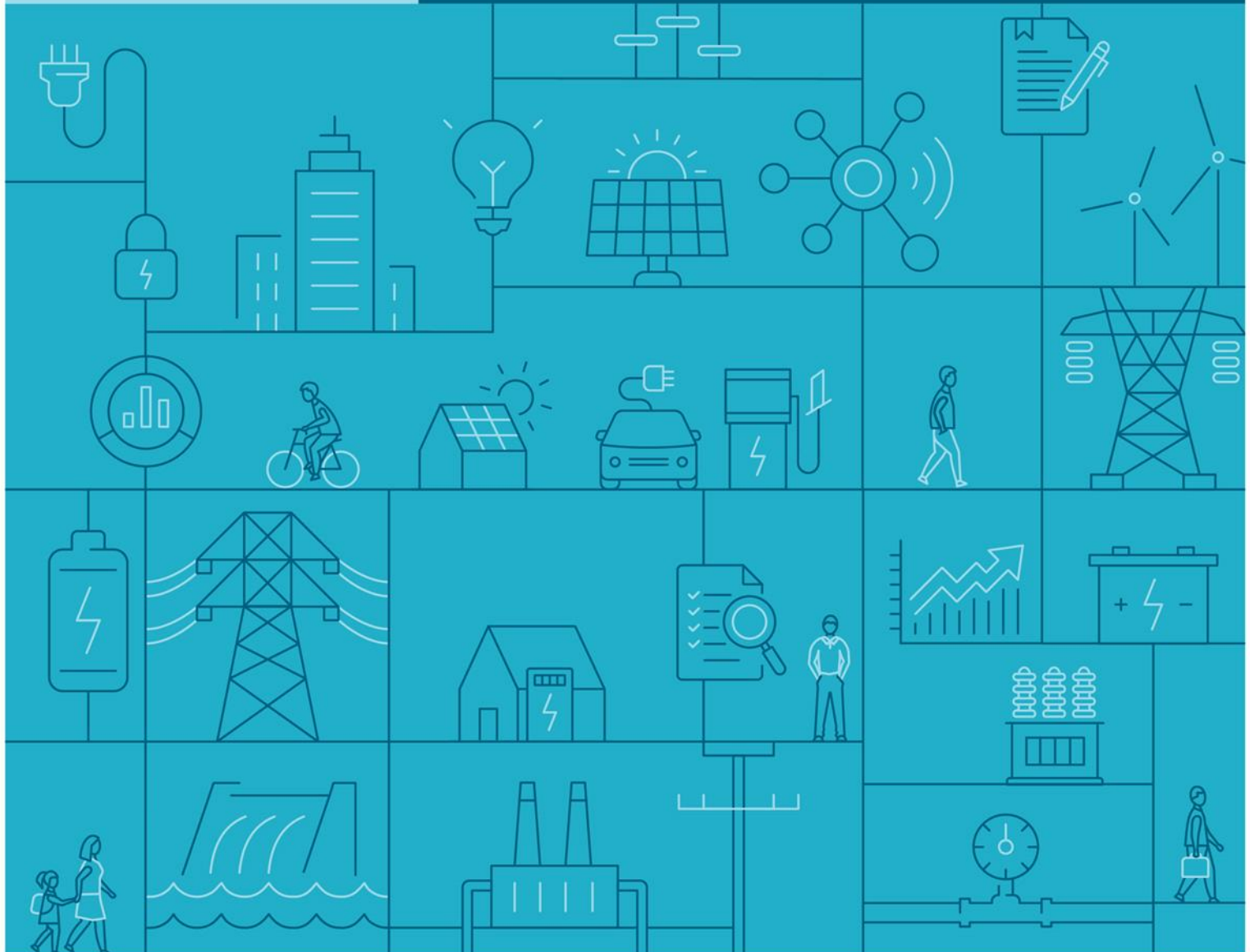
# NSW Consumer Trustee Section 70(1) Report

30 June 2025

*AusEnergy Services would like to acknowledge the Traditional Owners of Country throughout Australia and recognise their continuing connection to land, water and culture.*

*We pay our respect to their Elders past and present.*

Prepared by AusEnergy  
Services Limited



ASL

# Document purpose

## Purpose

This report is prepared by AusEnergy Services Limited (**ASL**) (formerly AEMO Services Limited) as the New South Wales (**NSW**) Consumer Trustee to comply with the requirements under section 70(1) of the *Electricity Infrastructure Investment Act 2020* (NSW) (**EII Act**).

This report has been prepared by AusEnergy Services using information available as at 30 June 2025. Information made available after this date may have been included in this document where practical.

# Introduction

## NSW Consumer Trustee

The NSW Government appointed ASL as the State's Consumer Trustee on 23 July 2021 to act in accordance with the functions prescribed in the EII Act. The Consumer Trustee appointment was subject to the satisfaction of conditions precedent described in an Instrument of Appointment between AusEnergy Services and the State of NSW.

The conditions in the Instrument of Appointment were satisfied and appointment of the Consumer Trustee became effective on 22 November 2021.

Under section 60 of the EII Act, the Consumer Trustee:

1. must act independently and in the long-term financial interests of NSW electricity customers.
2. has the following functions:
  - to advise the Minister and the infrastructure planner in relation to proposed and declared renewable energy zones (REZ) and proposed and required REZ network infrastructure projects,
  - to negotiate, in accordance with any requirements prescribed by regulations, with a person in relation to LTES agreements,
  - other functions prescribed by regulations,
  - other functions conferred or imposed on the consumer trustee by or under the EII Act or another law.

In this report, ASL:

- describes each of the Consumer Trustee functions under the EII Act and regulations; and
- reports on the exercise of those functions during the financial year ended 30 June 2025.

During FY25, the Consumer Trustee has sought to act independently and in the long-term financial interests of NSW electricity customers in the performance of its functions.

This report contains two sections. Section 1 is an executive summary which contains a description of the Consumer Trustee functions together with a summary of key activities for FY25 and priorities for FY26. Section 2 is the detailed report, presented in the form requested by the Independent Pricing and Regulatory Tribunal of NSW (**IPART**).

# Section 1 – Executive Summary

## 1.1 Consumer Trustee functions

As Consumer Trustee, we are a key partner in the implementation of the NSW Electricity Infrastructure Roadmap (NSW Roadmap).

ASL was appointed as the independent Consumer Trustee to protect the long-term financial interests of NSW electricity consumers. This is achieved through our rolling schedule of competitive tenders and coordinated investment planning. Timing and scale of renewable energy generation and storage investment is identified in ASL's Infrastructure Investment Objectives (IIO) Report and investment in energy infrastructure is incentivised through a rolling schedule of competitive tenders for Long-Term Energy Service Agreements (LTESAs) to meet the objectives of the NSW Roadmap.

Whilst our main function as Consumer Trustee is to plan for, design and operate the tender process for new infrastructure in generation, firming and long-duration storage, we also play a role in setting access fees and authorising Renewable Energy Zone (REZ) network infrastructure projects based on recommendations provided by the Infrastructure Planner, Energy Corporation of NSW (EnergyCo).

## 1.2 Delivering on the objectives of the Electricity Infrastructure Investment Act 2020 (EII Act) in FY25

### Infrastructure Investment Objectives Report (IIO) (EII Act, section 45)

ASL, as the Consumer Trustee, prepares IIO Reports which set out a development pathway for the next 20 years and a tender plan for the next decade, identifying the timing and scale for renewable energy generation and storage investment to achieve the IIO.

Under the EII Act, the Consumer Trustee is required to publish an IIO Report approximately every two years, or after being directed by the Minister under section 47(2) to conduct a competitive tender for firming infrastructure LTESAs. ASL published the 2023 IIO Report on 21 December 2023 and an IIO has not been required or published in the 2024-25 financial year.

### Long-Term Energy Service Agreements (LTESAs) and competitive tenders (EII Act, sections 46–50)

In FY25, we utilised the established process for the inaugural tender to complete Tender Round 5 for Long Duration Storage (LDS) and Access Rights for the South-West Renewable Energy Zone. We have also opened Tender Round 6 for LDS which will conclude in FY26.

Tender Round 5 LDS projects are expected to contribute a further 11% towards the LDS minimum objective of 2 GW by 2030 and 49% toward the minimum objective of 28 GWh by 2034, set under the EII Act. Combined, outcomes from the three completed LDS tenders are expected to contribute an overall 40% to the 2030 minimum objective and more than 66% towards the 2034 minimum objective.

Three projects representing 1.03GW (13.79 GWh) of LDS have received LTESAs following ASL's competitive tender assessment process.

Successful projects include a Pumped Hydro Energy System (PHES) which is expected to have a storage capacity of about 11,990 MWh and capable of dispatching its stored energy over about 15 hours, and two Battery Energy Storage Systems (BESS) which each have storage capacity equivalent to 8 hours duration.

**ASL****Access schemes fees (EII Act, section 26)**

In FY25, ASL determined access fees for the South-West REZ Access Scheme Initial Allocation (approved and published in December 2024) and the Central West Orana REZ Access Scheme (approved in March 2025 and published May 2025). ASL updated its Access Fee Determination Framework in July 2024 and December 2024 to support the Board in making these decisions. In particular, the updated Framework makes clear how ASL can determine fees to apply to all access right holders under an access scheme or where required to individual access right holders where access fees may need to be updated to apply to each access right holder.

**Renewable Energy Zone (REZ) Network Authorisation (EII Act, section 31)**

In FY25, ASL authorised the Hunter Central Coast REZ Network Infrastructure Project ASL also updated its Authorisation Management Framework in FY25 to reflect updates to the EII Regulations regarding the cost-benefit analysis process for authorisation and EII Act changes regarding setting the Maximum Capital Cost as part of the authorisation decision.

**Advice to the Infrastructure Planner (EII Act, section 60(4)(a), (c) and EII Regulation, clause 18)**

In FY25, ASL provided advice under section 60(4)(a) to EnergyCo in relation to the Hunter Central Coast REZ network infrastructure project and also about potential network upgrades in the REZ that were submitted for modelling in the 2025 IIO Report. ASL also provided draft advice in relation to the New England REZ network infrastructure project.

**Financial Risk Management (EII Act, section 51)**

Since ASL established a Statutory Risk Management Framework and subsidiary policies, to guide the management of financial risks related to the delivery of the Roadmap, a review of the policies has been undertaken and was approved by the ASL's Board on 17 July 2024.

In alignment with this approval, Scheme Financial Vehicle (SFV) has revised its own Subsidiary Policies, excluding the Wholesale Electricity Policy, to reflect the changes made to the Consumer Trustee Subsidiary Policies. The SFV has also taken the opportunity to expand its policies reflecting its SFV Board requirements. These updated policies were endorsed by the SFV Board in May 2025, pending approval by the Consumer Trustee of any inconsistencies between the Consumer Trustee Subsidiary Policies and SFV Policies (as required by the Risk Management Framework (RMF) section 8.1).

A further review of the Consumer Trustee policies is anticipated during FY26.

**Establishment of the Scheme Financial Vehicle (SFV) (EII Act, sections 61–62)**

In FY23, ASL appointed the Financial Trustee (FT), Equities Trustees Limited (EQT). The appointment of the FT continued throughout FY25. In late FY25 the contract was renewed for a further two years.

FT (EQT) incorporated the SFV in September 2022. The SFV is governed by an independent Board and the Electricity Infrastructure Fund continues to manage cash inflows and outflows under the EII Act.

The SFV serves as the independent contractual counterparty to LTESAs and provides revenue (as determined by the AER) for REZ network infrastructure projects and Priority Transmission Infrastructure Projects developed under the Roadmap.

The SFV continues to hold a Aa3-stable credit rating from Moody's.

**1.4 Response to Minister's Request (EII Act, section 70(3))**

Under section 70(3) of the EII Act, the annual report must contain information required by the Minister for Climate Change, Energy, Environment and Heritage.

The Minister wrote to IPART on 26 May 2025, requesting information be included in the 2024/25 Electricity Infrastructure Roadmap Annual Report on the Consultation and commitments to local

## ASL

Aboriginal Communities. This was the Consumer Trustee's consultation and negotiation for the purposes of increasing income and employment opportunities for local Aboriginal communities informed by the First Nations Guidelines and section 4 of the EII Act.

The Minister requested a summary of the LTESAs and Access Rights awarded during FY25.

The Minister also requested a summary of the progress of all projects that have been awarded a LTESA and to include the financial year of:

- financial close achieved (where applicable)
- construction commenced (where applicable)
- commissioning achieved (where applicable)

In response to the Minister's request, ASL can provide the following information:

### **Consultation and commitments to the local Aboriginal Communities**

While ASL in its role as the Consumer Trustee is not directly responsible for community engagement under the Electricity Infrastructure Roadmap (with this function allocated to EnergyCo as the Infrastructure Planner), ASL is committed to supporting improved outcomes for First Nations peoples through its program delivery responsibilities.

A fundamental objective of the Consumer Trustee's tenders is to award Long Term Energy Service Agreements (LTESA) and Access Rights to Proponents whose approach to achieving social licence drives meaningful outcomes for the communities they operate in.

### **Tenders**

ASL includes First Nations engagement and participation as merit criteria in its tenders. These criteria encourage meaningful consideration of opportunities for First Nations involvement in project development, including employment, procurement, partnerships, etc. ASL supports Proponents in responding to social licence Merit Criteria, including First Nations participation, by providing clear guidance and examples of best practice through market briefing notes, webinars and detailed tender documentation.

In FY25, ASL conducted one NSW Roadmap tender – Tender Round 5 for Long-Duration Storage Long-Term Energy Service Agreements (LDS LTESAs) – awarding three projects. Collectively, these projects committed approximately \$53 million towards First Nations participation outcomes, meeting the Renewable Energy Sector Board's 1.5% minimum First Nations participation requirements.

### **LTESA commitments**

ASL also provides contract management services on behalf of the SFV, including monitoring delivery against commitments made by LTES Operators under their Project Delivery Agreements (PDAs). Annual reporting under the PDAs is due in August 2025, which falls after the drafting of this report. As such, up-to-date qualitative data on delivery against First Nations participation commitments for LTES projects is not yet available but will be reported as part of the s50(2) requirements under the EII Act later in the year. Insights from this reporting process will inform ASL's ongoing engagement with Proponents and contribute to continuous improvement in program delivery.

### **REZ Authorisation**

When considering Renewable Energy Zone (REZ) authorisations, ASL also takes into account Proponents' alignment with the NSW Government's First Nations Guidelines. In FY25, ASL assessed EnergyCo's compliance with the Renewable Energy Sector Board Plan (RESBP) and First Nations Guidelines (FNG) obligations as part of its decision to authorise the Hunter Central Coast REZ network infrastructure project (HCC RNIP). In doing so, it accepted EnergyCo's recommendation that ASL should not impose conditions in the Notice of Authorisation for the HCC RNIP related to the RESBP and FNG. It did so on the basis that Ausgrid (the recommended Network Operator)



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had demonstrated that it will meet the minimum requirements and several stretch goals set out in the RESBP and FNG obligations, which are to be enforced under the Project Deed between Ausgrid and EnergyCo. ASL notes that it does not consult with local communities on the basis that EnergyCo undertakes this consultation in developing its recommendation for a REZ network infrastructure project.

**General engagement and continuous improvement activities**

In addition, ASL maintains active engagement with First Nations stakeholders to inform the design and ongoing improvement of our processes, programs and decision-making. In FY25, we supported the NSW Government’s review of the First Nations Guidelines to help ensure the policy framework continues to reflect best practice.

**Long-Term Energy Service Agreements and access rights**

**FY25 LTESAs awarded**

In FY25, ASL conducted one tender process – Tender Round 5 for LDS LTESAs and South West Renewable Energy Zone Access Rights (SW REZ Access Rights).

The process resulted in ASL finalising LDS LTESAs for three projects with a combined registered capacity of 1.03 GW and a storage capacity of 13.79 GWh – the largest LDS LTESA tender awarded to date. The awarded projects were:

- 1. ACEN Phoenix PHES (800 MW / 11,990 MWh)
- 2. Stoney Creek BESS (125 MW / 1,000 MWh)
- 3. Griffith BESS (100 MW / 800 MWh)

More information on the successful projects and the assessment of bids for Tender Round 5 is available in the [NSW Roadmap Tender Round 5 Market Briefing Note](#).

**FY25 Access Rights awarded**

While ASL ran the competitive process for both products, it is important to note that Access Rights are granted and managed by EnergyCo, as the Infrastructure Planner under the Roadmap.

EnergyCo granted SW REZ Access Rights to four projects, expected to provide a combined generation capacity of 3.56 GW and more than 700 MW of battery storage. The successful projects were:

- 1. Yanco Delta (1,460 MW)
- 2. Dinawan Energy Hub (1,007 MW)
- 3. Pottinger Energy Park (831.2 MW)
- 4. Bullawah Wind Farm (262.3 MW)

**LTESA summary**

Similarly, while this report includes a summary of awarded LTESAs, the SFV is the responsible entity under the Roadmap for the ongoing management and reporting of these agreements. ASL currently provides contract management services on behalf of the SFV. This context is provided to clarify ASL’s respective responsibilities and to support transparency in future reporting cycles. For the purposes of this report, ASL has provided the requested information in the table below, detailing the progress of all projects awarded a Long-Term Energy Service Agreement as at June 2025.

Table 1: LTESA project development milestone dates

| Tender round | Project name | Progress – Next milestone | Financial Close achieved | Construction Commenced | Commission achieved |
|--------------|--------------|---------------------------|--------------------------|------------------------|---------------------|
|--------------|--------------|---------------------------|--------------------------|------------------------|---------------------|

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|   |                            |                                      |         |         |         |
|---|----------------------------|--------------------------------------|---------|---------|---------|
| 1 | Coppabella Wind Farm       | Offer to connect and Financial Close |         |         |         |
|   | Limondale BESS             | Commercial Operations                | FY23/24 | FY24/25 |         |
|   | New England Solar Farm     | Financial Close                      |         |         |         |
|   | Stubbo 1 Solar Farm        | Commercial Operations                | FY22/23 | FY23/24 |         |
| 2 | Liddell BESS               | Commercial Operations                | FY23/24 | FY24/25 |         |
|   | Orana BESS                 | Commercial Operations                | FY24/25 | FY24/25 |         |
|   | Smithfield BESS            | Commercial Operations                | FY24/25 | FY24/25 |         |
| 3 | Culcairn Solar Farm        | Financial Close                      |         |         |         |
|   | Goulburn River BESS        | Offer to connect                     |         |         |         |
|   | Richmond Valley BESS       | Planning approval                    |         |         |         |
|   | Silver City Energy Storage | Offer to connect                     |         |         |         |
|   | Uungula Wind Farm          | Commercial Operations                | FY23/24 | FY24/25 |         |
| 4 | Flyers Creek Wind Farm     | Commissioned                         | FY21/22 | FY23/24 | FY24/25 |
|   | Maryvale Solar and BESS    | Commercial Operations                | FY24/25 |         |         |
| 5 | Griffith BESS              | Planning approval                    |         |         |         |
|   | Phoenix PHES               | Land tenure                          |         |         |         |
|   | Stoney Creek BESS          | Land tenure                          |         |         |         |

### 1.5 Priorities for FY26

In FY26, ASL will continue to deliver on its Consumer Trustee obligations and responsibilities under the EII Act.

At the date of this report, key anticipated deliverables include:

- Delivery of Tender Round 6 (EII Act, section 47).
- Publication of the 2025 IIO Report (EII Act, section 45).
- Determination of access fees for New England REZ (EII Act, section 26)
- Potential authorisation of existing network upgrade projects identified in the 2025 IIO Report (EII Act, section 31)
- ASL's FY26 Statement of Corporate Intent will be published prior to 30 September 2025. The Statement of Corporate Intent will provide further detail on all major business activities planned for the period FY26 to FY28.
- Establishing a process and undertaking a review of the RMF and its subsidiary policies (RMF, section 9.1)



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## Section 2 – Detailed report

| Function area                                                  | Ref <sup>1</sup> | Function <sup>2</sup>                                                                                                                                                                                                                                        | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|----------------------------------------------------------------|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Consultation and negotiation with local Aboriginal communities | Section 4(4)     | Take the guidelines (issued by the Minister) about consultation and negotiation with the local Aboriginal community into account when exercising the Consumer Trustee's functions under Part 6, Divisions 3 and 4. <sup>3</sup>                              | <p>Under section 4(4)-(5) the Consumer Trustee considered the First Nations Guidelines when conducting Tender Rounds by designing and implementing merit criteria 4 and 7 to evaluate proponents' commitments, including their consultation with First Nations communities. The Tender Guidelines provide detailed information for proponents on the merit criteria and directs them to the First Nations Guidelines and region-specific guidelines prepared by Department of Climate Change, Energy, the Environment and Water (DCCEEW) for further guidance when preparing bids. The Consumer Trustee also published a market briefing note detailing good practice across land use considerations, regional economic development, community engagement and shared benefits which is available on its <a href="#">Website</a>.</p> <p>Tender proponents were required to provide First Nations participation commitments to subcontracting to First Nations businesses, First Nations employment and workforce development, and education and training for First Nations people.</p> <p>Commitments are legally binding and subject to contractual monitoring and enforcement. Under the Project Development Agreement (PDA) and LTESA, the project counterparty must provide annual reports to the Scheme Financial Vehicle. Failure to meet targets can result in escalation, the implementation of agreed plans to realign with targets, or termination of the LTESA.</p> |
|                                                                | Section 4(5)     | To give effect to the guidelines about consultation and negotiation with the local Aboriginal community, the Consumer Trustee may include a recommendation (under s 31(1)(a)) to the Minister and impose a condition on an authorisation (under s.31(1)(b)). | <p>On 16 April 2025, the Consumer Trustee authorised the Hunter Central Coast REZ Network Infrastructure Project (HCC RNIP) and on 9 May 2025 published its Statement of Reasons for this decision. The Consumer Trustee did not impose any conditions in relation to the First Nation Guidelines and the Renewable Energy Sector Board Plan (RESBP). It also did not recommend that the Minister impose conditions as part of its authorisation decision.</p> <p><a href="https://aemoservices.com.au/products/hunter-central-coast">https://aemoservices.com.au/products/hunter-central-coast</a></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

<sup>1</sup> In this column, references to sections are to section of the EII Act, while references to clauses are references to clauses of the EII Regulation.

<sup>2</sup> In this column, references to the Regulator are to IPART for performance audit and annual report-related functions, to the EPA for functions under Part 12 of the EII Regulation, and otherwise to the Australian Energy Regulator for all other functions.

<sup>3</sup> Part 6 Electricity infrastructure investment safeguard, Division 3 Long-term energy service agreements and Division 4 Operation of long-term energy service agreements, of the EII Act.

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| Function area                                        | Ref <sup>1</sup>             | Function <sup>2</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|------------------------------------------------------|------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Plan for NSW renewable energy sector                 | Section 9(1)                 | Take into account the Plan for NSW renewable energy sector, when exercising all functions under the Act.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <p>The Consumer Trustee took the RESBP into account in making its authorisation decision for the HCC RNIP, in line with the Authorisation Management Framework. This is summarised in its public Statement of Reasons.</p> <p>The Consumer Trustee takes the RESBP into account throughout the LTESA tender process and is reflected in the Tender Guidelines and Tender Rules. Merit Criteria 7 reflects the requirements set out in the RESBP. Under these criteria, Proponents are required to submit an Industry and Aboriginal Participation Plan which contains the RESB requirements.</p> <p>Commitments provided by Proponents are legally binding and subject to contractual monitoring and enforcement. Under the PDA and LTESA, project counterparties must provide regular reports on the PDA and LTESA to the SFV. Failure to meet targets can result in escalation, the implementation of agreed plans to realign with commitments, or termination of the LTESA.</p> |
|                                                      | Section 9(3)-(4)             | <p>The Consumer Trustee may:</p> <p>(a) include a recommendation (under s.31(1)(a)) to the Minister that a condition that is consistent with the plan be imposed on the Minister's direction</p> <p>(b) impose a condition that is consistent with the plan on an authorisation (under s.31(1)(b)).</p>                                                                                                                                                                                                                                                                                                                              | <p>On 16 April 2025, the Consumer Trustee authorised the HCC RNIP and on 9 May 2025 published its Statement of Reasons for this decision. The Consumer Trustee did not impose any conditions in relation to First Nation Guidelines (FNG) and RESBP. It also did not recommend that the Minister impose conditions as part of its authorisation decision.</p> <p><a href="https://aemoservices.com.au/products/hunter-central-coast">https://aemoservices.com.au/products/hunter-central-coast</a></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Application for declaration of renewable energy zone | Section 21(1)(b)             | The Consumer Trustee may apply to the Minister for a declaration of a renewable energy zone.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | The Consumer Trustee did not exercise this function in H1 FY25 as it did not identify a need for further REZs, beyond the five already declared REZs in NSW.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Fees for access schemes                              | Section 26(1) and clause 55A | <p>Determine the fees payable to the Scheme Financial Vehicle by participants in an access scheme, taking into consideration the following principles:</p> <p>(a) maximising financial value for NSW electricity customers,</p> <p>(b) recovering the cost of the operation of the access scheme,</p> <p>(c) optimal use of the existing and planned network infrastructure in the renewable energy zone,</p> <p>(d) other principles prescribed by the regulations.</p> <p>Clause 55A prescribes an additional principle of transparency in total determined or expected fees payable under the access scheme for participants.</p> | <p>On 18 December 2024, the Consumer Trustee determined access fees for the South-West REZ Access Scheme Initial Allocation. A public Statement of Reasons was <a href="#">published</a> in December 2024.</p> <p>On 19 March 2025, the Consumer Trustee determined access fees for the Central West Orana REZ Access Scheme, which were determined on 16-17 April 2025. A public Statement of Reasons was published in May 2025</p> <p><a href="https://aemoservices.com.au/products/central-west-orana">https://aemoservices.com.au/products/central-west-orana</a></p> <p>The Consumer Trustee determined access fees in lines with section 26(1) of the EII Act as per the CT's Access Fee Determination Framework.</p>                                                                                                                                                                                                                                                        |

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| Function area                                     | Ref <sup>1</sup>                | Function <sup>2</sup>                                                                                                                                                                                                                                                                                                                        | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|---------------------------------------------------|---------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                   | Section 26(2)-(3) and clause 56 | <p>The fees must include a component that is to be used for a community purpose prescribed by the regulations and the component must not be less than the minimum or exceed the maximum amount prescribed by the regulations.</p> <p>Clause 56 prescribes the community purposes and the minimum and maximum amount of the component.</p>    | The Consumer Trustee, in setting access fees for the South-West REZ and Central West Orana (CWO) REZ, set a community component consistent with the minimum annual amount outlined in clause 56.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|                                                   | Section 26(4)-(5) and clause 57 | <p>The fees must include a component that is to be used for an employment purpose prescribed by the regulations and the component must not be less than the minimum or exceed the maximum amount prescribed by the regulations.</p> <p>Clause 57 prescribes the employment purposes and the minimum and maximum amount of the component.</p> | The Consumer Trustee, in setting access fees for the South-West REZ and CWO REZ, set an employment component consistent with the minimum annual amount outlined in clause 57.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|                                                   | Section 26(6)                   | When exercising its function under 26(4), the Consumer Trustee is to seek advice from the committee established under section 34W(1)(b) of the <i>Energy and Utilities Administration Act 1987</i> .                                                                                                                                         | <p>As required under section 26(6) of the Electricity Infrastructure Investment Act 2020, the Consumer Trustee sought advice from the Employment Purpose Advisory Committee on the proposed employment purpose component of the access fees for the South-West REZ Access Scheme and received advice from the Committee on 15 March 2024.</p> <p>This informed the setting of the employment component of the SW REZ Access Fees in December 2024.</p> <p>For the CWO REZ, on 16 November 2022, EPAC wrote to ASL confirming that ASL as the Consumer Trustee had sought EPAC's advice when determining the employment purpose component. EPAC also confirmed that it is satisfied that ASL's proposed employment purpose component of \$600 per megawatt per annum is at an appropriate level for CWO REZ.</p> |
| Fees for access schemes for employment purposes   | Clause 57<br>(s 26)             | The Regulations prescribe the components of a fee that are taken to be used for employment purposes.                                                                                                                                                                                                                                         | The Consumer Trustee, in setting access fees for the South-West and CWO REZ, set an employment component consistent with the minimum annual amount outlined in clause 57.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Assessment of REZ network infrastructure projects | Section 30(4)                   | The Consumer Trustee must specify a time period within which the Infrastructure Planner must make a recommendation about REZ network infrastructure projects.                                                                                                                                                                                | The Consumer Trustee did not exercise this function in during FY25 as it determined the Infrastructure Planner is seeking to make its recommendations in a timely manner.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

## ASL

| Function area | Ref <sup>1</sup> | Function <sup>2</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|---------------|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|               | Section 31(1)    | <p>The Consumer Trustee must consider the Infrastructure Planner's recommendations about REZ network infrastructure projects required for a renewable energy zone.</p> <p>After considering the Infrastructure Planner's recommendations in relation to REZ network infrastructure projects, the Consumer Trustee may—</p> <p>(a) recommend the Minister give a direction under section 32 to a network operator for a REZ network infrastructure project, or</p> <p>(b) authorise a network operator to carry out a REZ network infrastructure project.</p> | <p>The Consumer Trustee received a recommendation from the Infrastructure Planner for one REZ network infrastructure project in the Hunter Central Coast REZ on 20 December 2024. The Infrastructure Planner's public recommendation report was published on its <a href="#">website</a>. In April 2025, the Consumer Trustee authorised Ausgrid to carry out the HCC REZ network infrastructure project. The notice of authorisation and the statement of reasons is published on the ASL's <a href="#">website</a>.</p> <p><a href="https://aemoservices.com.au/-/media/services/files/products/rez/hcc/250508-approved-hcc-rnip-notice-of-authorisation.pdf?la=en">https://aemoservices.com.au/-/media/services/files/products/rez/hcc/250508-approved-hcc-rnip-notice-of-authorisation.pdf?la=en</a></p> |
|               | Section 31(2)    | <p>If the Consumer Trustee authorises a network operator under subsection (1)(b) above, the Consumer Trustee must, by written notice to the Regulator, set a maximum amount for the prudent, efficient and reasonable capital costs for development and construction of the REZ network infrastructure project that may be determined by the Regulator under section 38(4).</p>                                                                                                                                                                              | <p>On 16 April 2025, the Consumer Trustee set a maximum capital cost for the HCC RNIP and notified the AER on 22 April 2025 and the Minister for Energy on 29 April 2025.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|               | Section 31(2A)   | <p>The Consumer Trustee —</p> <p>(a) must give the Minister written notice of the maximum amount as soon as practicable after giving written notice to the Regulator under subsection (2), and</p> <p>(b) must not disclose the maximum amount to another person.</p>                                                                                                                                                                                                                                                                                        | <p>The Consumer Trustee notified the AER on 22 April 2025 and the Minister for Energy on 29 April 2025 of the maximum capital cost set for the HCC RNIP.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|               | Section 31(5)    | <p>In exercising its functions under section 31, the Consumer Trustee is to consider the development pathway contained in the latest report by the Consumer Trustee under section 45.</p>                                                                                                                                                                                                                                                                                                                                                                    | <p>The Consumer Trustee considered the latest development pathway in assessing authorisation for the HCC RNIP in line with the Board's Authorisation Management Framework. This is summarised in the public Statement of Reasons.</p> <p><a href="https://aemoservices.com.au/-/media/services/files/products/rez/hcc/250508-approved-hcc-rnip-notice-of-authorisation.pdf?la=en">https://aemoservices.com.au/-/media/services/files/products/rez/hcc/250508-approved-hcc-rnip-notice-of-authorisation.pdf?la=en</a></p>                                                                                                                                                                                                                                                                                     |

## ASL

| Function area                                                          | Ref <sup>1</sup>                                 | Function <sup>2</sup>                                                                                                                                                                                                                                                                                                                                 | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|------------------------------------------------------------------------|--------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Consultee for revenue determinations                                   | Clause 49(1A) and (3)<br>(s 38(10)(a))           | If a revenue determination relates to a REZ network infrastructure project, the Consumer Trustee is to be consulted by the Regulator.<br><br>The Consumer Trustee must give the Regulator information about the amount notified to the Regulator under the Act <sup>4</sup> that the Regulator considers necessary to make the revenue determination. | On 5 December 2024, the AER consulted with ASL on its determination for ACEREZ as the Network Operator for the contestable CWO RNIP. On 13 December 2024, the AER notified ASL that it had incorporated its feedback on the draft determination.<br><br>On 19 June 2025, the AER notified ASL that it had remade the above revenue determination with ACEREZ and provided it to ASL for comment by 25 June 2025 regarding the minimal changes regarding the allocation of assets to separable portions for the RNIP.                                                                                                                                                                          |
| Consultee for review and remaking of revenue determinations for errors | Clause 54(2)(b)<br>(s 40)                        | The Consumer Trustee is to be consulted by the Regulator before the Regulator reviews or remakes a revenue determination for the purposes of correcting an error prescribed in subclause (1).                                                                                                                                                         | The Consumer Trustee did not exercise this function in FY25 as it did not consider it was necessary for the Regulator to remake a determination under section 38.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Regulator reviewing determinations                                     | Section 40(1)(b)                                 | The Consumer Trustee can direct the Regulator to remake a determination under section 38 at any time (in accordance with the regulation)                                                                                                                                                                                                              | The Consumer Trustee did not exercise this function in FY25 as it did not consider it was necessary for the Regulator to remake a determination under section 38.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Transfer of network infrastructure                                     | Clause 21(2)(b)<br>(ss 38(10)(a) and 42))        | If the Energy Corporation is the Infrastructure Planner in relation to the transferred network infrastructure, the authorisation provider <sup>5</sup> must consider the Energy Corporation's recommendation before giving approval.                                                                                                                  | The Consumer Trustee did not exercise its function under clause 21(2)(b) to approve a person to whom network infrastructure is transferred as being taken to be a network operator to whom the Act, Part 5, Division 3 applies. This is because no such transfer occurred or has otherwise been presented to the Consumer Trustee.<br><br>The notice of authorisation for the HCC REZ project provides for the potential future transfer of REZ network infrastructure project assets between authorised network operators under the existing notices of authorisation for these projects. The notice of authorisation is available on ASL's website. At <a href="#">Hunter Central Coast</a> |
| Applying for a cost recovery declaration                               | Clause 54C(1)(b) and (3)(a)<br>(ss 39(2) and 41) | The Consumer Trustee, as a 'relevant person' for the purposes of Clause 54C, may apply to the Minister for a cost recovery declaration.<br><br>The Consumer Trustee is to be consulted by the Minister before the Minister makes a cost recovery declaration.                                                                                         | The Consumer Trustee did not exercise this function in FY25 as there was no application to the minister for a cost recovery declaration.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

<sup>4</sup> Section 31(2) of the EII Act.

<sup>5</sup> The Consumer Trustee is the authorisation provider if it has provided an authorisation under section 31 of the EII Act to carry out a REZ network infrastructure project.

## ASL

| Function area                               | Ref <sup>1</sup>  | Function <sup>2</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|---------------------------------------------|-------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Infrastructure investment objectives report | Section 45(1)     | The Consumer Trustee is to prepare a report about the infrastructure investment objectives that contains—<br>(a) the development pathway for the infrastructure to which Part 6 applies that is required to be constructed over the following 20 years to achieve the infrastructure investment objectives, and<br>(b) a plan for the competitive tenders that the Consumer Trustee will conduct during the following 10 years to give effect to the development pathway, including when tenders will be conducted and the classes of LTES agreements for which a tender will be conducted, and<br>(c) other matters prescribed by the regulations. <sup>6</sup> | The Consumer Trustee has not published an IIO report in FY25.<br><br>The 2023 IIO report was published on 21 December 2023.<br><br>The Consumer Trustee expects to publish the 2025 IIO report in H1 FY26.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|                                             | Section 45(2)     | The Consumer Trustee is to prepare a report:<br>(a) as soon as practicable after the commencement of section 45, and<br>(b) approximately every 2 years after the first report.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | The Consumer Trustee has not published an IIO report in FY 25.<br><br>The 2023 IIO report was published on 21 December 2023.<br><br>The Consumer Trustee expects to publish the 2025 IIO report in H1 FY26.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|                                             | Section 45(3)     | The Consumer Trustee is also to prepare a report as soon as practicable after being directed by the Minister under section 47(2) to conduct a competitive tender for LTES agreements for firming infrastructure.                                                                                                                                                                                                                                                                                                                                                                                                                                                 | The Consumer Trustee has not exercised the function under section 45(3) in FY25 as it has not been directed by the Minister to conduct a further competitive tender for firming infrastructure LTESAs under section 47(2).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|                                             | Section 45(5)-(6) | The report is to be published on the Consumer Trustee's website.<br>The Consumer Trustee is to exercise its functions under Part 6 on the basis of the reports prepared under section 45.                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | The Consumer Trustee has not published an IIO report in FY 25.<br><br>The 2023 IIO report was published on 21 December 2023.<br><br>The Consumer Trustee expects to publish the 2025 IIO report in H1 FY26.<br><br>The Consumer Trustee conducted two competitive tenders in FY25, as noted in comments for section 47(1). Per the comments for section 45(3), the Consumer Trustee did not conduct a Firming Infrastructure Tender. A further update to the 2023 IIO Report is on the <a href="#">website</a> , the Consumer Trustee has determined it is in the long-term financial interests of NSW electricity customers that the next competitive tender for generation infrastructure in NSW be conducted as part of the Australian Government's Capacity Investment Scheme (CIS). |

<sup>6</sup> See clauses 24 and 25 below.



## ASL

| Function area                                | Ref <sup>1</sup>          | Function <sup>2</sup>                                                                                                                                                                                                                     | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|----------------------------------------------|---------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Infrastructure investment objective reports  | Clauses 24-25 (s 45)      | These clauses prescribe what the Consumer Trustee must include and take into account in the investment objective reports.                                                                                                                 | <p>The Consumer Trustee has not published an IIO report in FY 25.</p> <p>The 2023 IIO report was published on 21 December 2023.</p> <p>The Consumer Trustee expects to publish the 2025 IIO report in H1 FY26.</p>                                                                                                                                                                                                                                                                                                                                             |
| LTES agreement for generation infrastructure | Clause 31(b) (s 46(2)(f)) | This subclause provides the matters the Consumer Trustee must be satisfied of for derivative arrangement that must be given to the LTES operator under an LTES agreement for the construction and operation of generation infrastructure. | The Consumer Trustee did not conduct a Generation Infrastructure Tender in FY25.                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Tendering for LTES agreements                | Section 47(1)             | The Consumer Trustee must conduct a competitive tender for LTES agreements unless the Regulator otherwise authorises generally or in a particular case.                                                                                   | <p>The Consumer Trustee conducted two competitive tenders in FY 25. Tender 5 was the South-West Renewable Energy Zone Access Rights and Long Duration Storage Tender. LTESAs were awarded in February 2025.</p> <p>Tender 6 is and Long Duration Storage Tender and it commenced in May 2025 and is expected to be finalised in December 2025/January 2026. Detailed documentation for tenders is available on ASL's <a href="#">website</a>.</p>                                                                                                              |
|                                              | Section 47(2)             | The Consumer Trustee must not conduct a competitive tender for LTES agreements for firming infrastructure unless directed by the Minister.                                                                                                | The Consumer Trustee did not exercise this function in FY25 as it has not been directed by the Minister to conduct a competitive tender for firming infrastructure LTESAs under section 47(2).                                                                                                                                                                                                                                                                                                                                                                 |
|                                              | Section 47(3)             | The Consumer Trustee must carry out a competitive tender in accordance with the regulations and with the rules made by the Consumer Trustee under section 47(5).                                                                          | <p>The Consumer Trustee conducted two competitive tenders in (Tender 5 and Tender 6) FY25 under section 47(3) in accordance with the EII Act and its regulations.</p> <p>The Consumer Trustee undertook extensive engagement and consultation for the tenders to ensure their competitiveness. Tender documentation including Tender Rules, tender guidelines, template contracts and market briefing notes are available on the ASL's <a href="#">website</a>. Public Interactive webinars were held to provide education and information for proponents.</p> |
| Tendering for LTES agreements                | Clause 26 (s 47(3)(a))    | This clause prescribes the way in which the Consumer Trustee must conduct a competitive tender.                                                                                                                                           | Refer comments in relation to section 47(3) above.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

## ASL

| Function area                           | Ref <sup>1</sup>                     | Function <sup>2</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Comments                                                                                                                                                                                                                                                                                  |
|-----------------------------------------|--------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Competitive tenders for LTES agreements | Clause 28(2) and (3)<br>(s 47(3)(a)) | The restriction on a person in making a tender bid in a competitive tender for an LTES agreement, where an access right for the infrastructure has already been conferred on the person under an access scheme, under clause 28(1)(b), does not apply if the Consumer Trustee is satisfied there are exceptional circumstances.<br><br>The Consumer Trustee must specify the exceptional circumstances before conducting a competitive tender.                                                                                                                                                                                                                                      | For FY25 there were no tenders for a LTESA where an access right for infrastructure had already been conferred under an access scheme. Exceptional circumstances were outlined in section 3.1.6 of the Tender Guidelines for Tenders 5 and 6 found on the ASL's <a href="#">website</a> . |
|                                         | Section 47(5)                        | Before conducting a competitive tender, the Consumer Trustee must make rules that are consistent with the regulations to deal with the following matters—<br>(a) the eligibility criteria for making a tender bid,<br>(b) the notification of the opening of the competitive tender,<br>(c) the procedure for making a tender bid, including the information required to be included in a bid,<br>(d) the fee payable for making a bid and requirements for bonds or other security,<br>(e) the assessment of a tender bid by the Consumer Trustee,<br>(f) other matters the Consumer Trustee considers necessary,<br>(g) other matters prescribed by the regulations. <sup>7</sup> | The Consumer Trustee exercised this function prior to FY25. The Tender Rules were published in Government Gazette No 171 on 10 May 2024.                                                                                                                                                  |
|                                         | Section 47(6)                        | Before making rules, the Consumer Trustee is to consult with the Regulator.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | The Consumer Trustee exercised this function prior to FY25. Consultation with the Regulator concluded on 8 April 2024 and the outcome of the consultation is published on the ASL's <a href="#">website</a> .                                                                             |
|                                         | Section 47(7)                        | The rules are to be published in the Gazette                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | The Consumer Trustee exercised this function prior to FY25. The Tender Rules were published in Government Gazette No 171 on 10 May 2024.                                                                                                                                                  |

<sup>7</sup> See clauses 24 and 25 below.

## ASL

| Function area                           | Ref <sup>1</sup>     | Function <sup>2</sup>                                                                                                                                                                                                                                                                                               | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-----------------------------------------|----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Recommendations about LTES agreements   | Section 48(1)-(2)    | The Consumer Trustee must make recommendations to the Scheme Financial Vehicle about the LTES agreements that the Scheme Financial Vehicle may enter into. In making a recommendation, the financial value of LTES agreements is to be the primary consideration.                                                   | <p>The Consumer Trustee did exercise the functions contained in section 48(1) and (2) during FY 25.</p> <p>In December 2024, the Consumer Trustee made formal recommendations to the SFV to enter into certain Project Documents, in accordance with EII Act, section 48(1). As set out in the Tender Rules and Tender Guidelines Section 3 Financial value is the primary consideration for the Consumer Trustee when assessing Financial Value Bids.</p>              |
|                                         | Section 48(3)        | The Consumer Trustee must not recommend the making of an LTES agreement that relates to generation infrastructure specified in section 43(1)(a) that is not, or will not be, part of a renewable energy zone, unless the Consumer Trustee is satisfied that the LTES agreement shows outstanding merit.             | The Consumer Trustee did not conduct a Generation Infrastructure Tender in FY25.                                                                                                                                                                                                                                                                                                                                                                                        |
| LTES agreements recommendation          | Clause 26A (s 48(4)) | This clause prescribes matters the Consumer Trustee must take into consideration when making a recommendation about LTES agreements.                                                                                                                                                                                | Refer comments in relation to section 48(1), (2) and (3) above.                                                                                                                                                                                                                                                                                                                                                                                                         |
| Recommendations about LTES agreements   | Clause 30 (s 48(4))  | The regulations prescribe the information the Consumer Trustee may include in a recommendation to the scheme financial vehicle under the Act <sup>8</sup> . When making a recommendation about an LTES agreement, the Consumer Trustee must take into account the non-financial value criteria for LTES agreements. | <p>The Consumer Trustee did exercise the functions in clause 30 (s 48(4)).</p> <p>When assessing Bids and making recommendations to the Scheme Financial Vehicle in Tender Round 5, the Consumer Trustee considered non – financial merit criteria as set out in Tender Rules and Tender Guidelines.</p>                                                                                                                                                                |
| Terms and conditions of LTES agreements | Section 50(1)        | The Consumer Trustee is to determine the terms and conditions of an LTES agreement, subject to any requirements prescribed by the regulations <sup>9</sup> .                                                                                                                                                        | <p>The Consumer Trustee did exercise the function contained in section 50(1) during FY 25.</p> <p>The Consumer Trustee determined the terms and conditions of the LTES Agreement for Tenders 5 on 18 August 2024. For Tender 5, the terms and conditions took into account requirements prescribed by the EII Act and regulations.</p> <p>The terms for the Tender 6 pro-forma LTES Agreements are anticipated to be approved by the Consumer Trustee in July 2025.</p> |

<sup>8</sup> Under section 48 of the EII Act.

<sup>9</sup> The regulations have not prescribed any requirements to date.

## ASL

| Function area | Ref <sup>1</sup> | Function <sup>2</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|---------------|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|               | Section 50(5)    | <p>In determining the terms and conditions of an LTES agreement, the Consumer Trustee is to take into account the following principles—</p> <ul style="list-style-type: none"> <li>(a) to align the financial incentives offered under LTES agreements with the changing needs of the electricity system,</li> <li>(b) to adopt, to the maximum extent possible, the conventions and standards in relation to similar agreements in the national electricity market,</li> <li>(c) to ensure that LTES agreements allow for future changes in the national electricity market,</li> <li>(d) to ensure that LTES agreements are consistent with the risk management framework under Division 5,</li> <li>(e) other principles prescribed by the regulations<sup>10</sup>.</li> </ul> | <p>The Consumer Trustee did exercise the function contained in section 50(5) during FY25.</p> <p>The Consumer Trustee determined the terms and conditions of the LTES agreement for Tenders 5 and 6.</p> <p>The Tender Guidelines addressed the financial incentives offered under the LTES agreements with the changing needs of the electricity system.</p> <p>The LTES agreements for Tenders 5 and 6 were updated to adopt, to the maximum extent possible, the conventions and standards in relation to similar agreements in the National Electricity Market.</p> <p>LTES agreements in Tender 5 and Tender 6 have been drafted with the aim of accommodating further changes to the National Energy Market.</p> <p>The LTES agreements for Tenders 5 and 6 are consistent with the Risk Management framework under Division 5.</p> <p>The LTES agreements for Tenders 5 and 6 address other principles prescribed by the regulations.</p> |

<sup>10</sup> The regulations have not prescribed any principles to date.

## ASL

| Function area                           | Ref <sup>1</sup>                        | Function <sup>2</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-----------------------------------------|-----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Risk management framework <sup>11</sup> | Section 51(1)-(3) and clauses 32(1)-(2) | <p>The Consumer Trustee must prepare a risk management framework to protect the financial interests of NSW electricity customers in connection with the risks associated with LTES agreements.</p> <p>The risk management framework may provide for the functions of the Consumer Trustee, the Financial Trustee, the Scheme Financial Vehicle and the Regulator under the framework and must be approved by the Regulator.</p> <p>Table 3 in section 5 of the Risk Management Framework confers roles and responsibilities on the Consumer Trustee relating to:</p> <ul style="list-style-type: none"> <li>(a) Designing the broader Risk Management Framework</li> <li>(b) Implementing specific aspects of the Risk Management Framework</li> <li>(c) Reporting in relation to risk management</li> </ul> <p>Clauses 32(1)-(2) prescribes the requirements for the risk management framework.</p> | <p>An approved Risk Management Framework was in place during FY25. No changes were made to the framework in FY25.</p> <p>The Risk Management Framework provides for the functions of all entities specified in 51(2) as specified on table 3 of the Risk Management Framework published on the ASL's website.</p> <p>Evidence: On AER and ASL's websites:</p> <p><a href="#">AEMO Services Ltd - Risk Management Framework - July 2022.pdf</a><br/> <a href="#">Statutory Risk Management Framework</a></p>            |
|                                         | Section 51(4)-(5)                       | <p>The approved risk management framework<sup>12</sup> is to be published on the Consumer Trustee's website unless the Consumer Trustee considers it is in the public interest not to publish a part of the framework, and the Consumer Trustee has the approval of the Regulator to not publish the part.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <p>An approved Risk Management Framework was in place during FY25. No changes were made to the framework in FY25.</p> <p>The Risk Management Framework provides for the functions of all entities specified in 51(2) as specified on table 3 of the Risk Management Framework published on the Consumer Trustee website.</p> <p>Evidence: On AER and ASL's websites:</p> <p><a href="#">AEMO Services Ltd - Risk Management Framework - July 2022.pdf</a><br/> <a href="#">Statutory Risk Management Framework</a></p> |
|                                         | Section 51(6)(b)                        | <p>The Minister may require the Consumer Trustee to amend the risk management framework in accordance with a recommendation by the Regulator arising from the review</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <p>Minister has not directed the Consumer Trustee to amend the RMF during the FY25. In FY26 the Consumer Trustee will undertake a review of the RMF with its findings to be shared with the Regulator.</p>                                                                                                                                                                                                                                                                                                             |

<sup>11</sup> AusEnergy Services, *Risk Management Framework: The risk management framework for the purpose of section 51 of the Electricity Infrastructure Investment Act 2020*, July 2022.

<sup>12</sup> Approved by the Regulator

## ASL

| Function area                                   | Ref <sup>1</sup>                            | Function <sup>2</sup>                                                                                                                             | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-------------------------------------------------|---------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Risk management framework                       | Clauses 32-33<br>(ss 51(8) and 52(3))       | Provides the requirements for the risk management framework.                                                                                      | An approved Risk Management Framework existed during FY25. The Framework contains each of the requirements outlined in clauses 32 and 33. Refer comments in relation to section 51(1)-(3) above.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Designing the broader risk management framework | Statutory Risk Management Framework<br>p 17 | Design and approve the Risk Management Framework and subsidiary policies for implementation by the consumer trustee and scheme financial vehicle. | <p>The Risk Management Framework provides for the functions of all entities specified in 51(2) as specified on table 3 of the Risk Management Framework published on the ASL's website. Approval of the Risk Management Framework was sought by the Consumer Trustee (CT) in accordance with section 51(3) and granted by the Australian Energy Regulator (AER) on 8 July 2022.</p> <p>Evidence: On AER and ASL's websites:<br/> <a href="#">AEMO Services Ltd - Risk Management Framework - July 2022.pdf</a><br/> <a href="#">Statutory Risk Management Framework</a></p> <p>A review of the subsidiary policies took place during FY24, with updated versions approved by the ASL Board, acting as the CT, on 17 July 2024. The adoption of the updated policies by the SFV (excluding Wholesale Electricity Policy) and new SFV policies have been approved by the SFV board May 2025 pending CT Board approval for inconsistencies. A new review of the CT policies is expected to be conducted in FY26.</p>                                                                                                                                                                                                                              |
|                                                 |                                             | Determine the appropriate governance frameworks for LTES agreement, tender processes and risk management contracts.                               | <p>The gazetted Tender Rules and the ASL Board approved Tender Management Framework (TMF) establish the governance of Tender Rounds executed by ASL as the CT to support the delivery of infrastructure based on the IIO Report. The TMF:</p> <ul style="list-style-type: none"> <li>establishes the internal operations of Tender Rounds to ensure CT compliance with the EII Act and EII Regulation.</li> <li>integrates the requirements of the RMF into the CTs decision-making.</li> <li>covers key principles underpinning the tender process design, Products offered, governance considerations, including the tender documents/ Long-Term Energy Service Agreements (LTESAs) / Project Development Agreement (PDAs) produced during each Tender Round and approval pathways, CT decision-making framework.</li> </ul> <p>The ASL Board approved the updated TMF 16 April 2025.</p> <p>As part of the establishment of the SFV and FT Performance Criteria and Reporting (as part of the proposed CT/SFV/FT tripartite agreement), the CT has undertaken substantive work to establish the governance framework for risk management contract. The implementation of this governance framework is expected to be finalised by HY26.</p> |

## ASL

| Function area                                                       | Ref <sup>1</sup>                         | Function <sup>2</sup>                                                                                                                                                                        | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|---------------------------------------------------------------------|------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                     |                                          | Develop and gazette LTES agreement tender rules.                                                                                                                                             | The Consumer Trustee exercised this function prior to FY25. the updated Tender Rules were published in Government Gazette No 171 on 10 May 2024.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|                                                                     |                                          | Consider and (where appropriate) approve variations in the scheme financial vehicles subsidiary policies.                                                                                    | <p>During FY23 both the CT and SFV created and adopted RMF Subsidiary Policies, with the latter having its policy variations (inconsistencies) approved by the CT.</p> <p>A review of the policies took place during FY 2024, with updated versions approved by the ASL Board, acting as the CT, on 17 July 2024. The adoption of the updated policies by the SFV and new SFV policies (excluding Wholesale Electricity Policy) have been approved by the SFV board in May 2025 pending CT Board approval for inconsistencies. A new review of the CT policies is expected to be conducted during FY26.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Implementation of specific aspects of the Risk Management Framework | Statutory Risk Management Framework p 17 | Determine the terms and conditions of the LTES agreements consistent with an overall approach to managing risks and costs in the long-term financial interests of NSW electricity customers. | <p>Stakeholder engagement with financiers was undertaken in FY25 in order to determine that the financial terms and conditions of the LTES agreements were providing the right financial incentives to achieve the goal of underwriting projects that were in the long-term financial interests of NSW electricity customers (LTFI).</p> <p>LTESA Product Process:</p> <ul style="list-style-type: none"> <li>• Seeking feedback on Project Documents ahead of a Tender.</li> <li>• Drafting and seeking approval for the updated Project Documents.</li> <li>• Assessment of Project Documents in Tender.</li> <li>• Execution of the Project Documents once a recommendation is made by the Consumer Trustee.</li> </ul> <p>This will include reference to stakeholder engagement and how that relates to EII Act s50 (5) (a) - In determining the terms and conditions of an LTES agreement, the consumer trustee is to take into account the following principles- to align the financial incentives offered under LTES agreements with the changing needs of the electricity system.</p> <p>The Consumer Trustee determined the terms and conditions of the LTES agreement for Tenders 5 on 18 August 2024. For Tender 5, the terms and conditions took into account requirements prescribed by the EII Act and regulations including a consistent approach to managing risks and costs in the long-terms financial interests of NSW electricity customers.</p> <p>The terms for the Tender 6 pro-forma LTES Agreements are anticipated to be approved by the Consumer Trustee in July 2025.</p> |



## ASL

| Function area | Ref <sup>1</sup> | Function <sup>2</sup>                                                                                                                                                                                                       | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|---------------|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|               |                  | Assess, monitor, and manage the financial risks and the impact of LTES agreements on financial risks. Monitoring activities to provide ongoing protection of the long-term financial interests of NSW electricity customers | <p>LTESA assessment of financial risks and the impact of LTESAs on financial risks pre-award is actioned by:</p> <ul style="list-style-type: none"> <li>• Prior to a tender commencement, the CT requests confirmation from the SFV that the EIF has sufficient liquidity for the CT to proceed with a tender.</li> <li>• The financial risk of LTESAs is a strategic consideration for the CT in its determination of the Financial Value recommended bids.</li> <li>• This is evidenced in the CT Decision Report (Stage B which assesses Financial Value).</li> <li>• The CT makes decisions which are a recommendation for award to the SFV for LTESAs following a tender round.</li> </ul> <p>LTESA assessment, monitoring and management of financial risks and the impact of LTESAs on financial risks pre-award is actioned by:</p> <ul style="list-style-type: none"> <li>• CT monitors LTESA liabilities independently of SFV on a monthly basis.</li> <li>• CT receives SFV monthly management report that provides detailed information on these risks which are then reviewed, and a summary of key insights provided as part of the ASL (acting as CT) monthly management report.</li> </ul> <p>Management of the financial risks and the impact of LTES agreements on financial risks is prescribed through the CT Subsidiary Policies which were updated in July 2024, for adoption by SFV.</p> |
|               |                  | Conduct competitive tenders for LTES agreements and REZ access rights (unless otherwise authorised by the regulator under section 47(1) of the EII Act).                                                                    | <p>The Consumer Trustee did exercise the function contained in section 47(1) during FY25.</p> <p>The Consumer Trustee conducted two competitive tenders in FY25. Tender 5 was the South-West Renewable Energy Zone Access Rights and Long Duration Storage Tender. LTESAs were awarded in February 2025.</p> <p>Tender 6 is a Long Duration Storage Tender, and it commenced in May 2025 and is expected to be finalised in December 2025/January 2026. Detailed documentation for tenders is available on ASL's <a href="#">Website</a>.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|               |                  | Negotiate, in accordance with any requirements prescribed by the regulations, with a person in relation to LTES agreements                                                                                                  | <p>The Consumer Trustee exercised the functions as proscribed by the regulations, with a person in relation to the LTES agreements. The Consumer Trustee made formal recommendations to the Scheme Financial Vehicle to enter into LTESAs as a result of Tender Round 5. In finalising the LTESAs and other project documents, limited departures in relation to those documents were accepted. The Consumer Trustee assessed that these departures did not have a material impact on the risk allocation in the contracts and were compliant with the requirements of the EII Act and EII Regulation.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

## ASL

| Function area                            | Ref <sup>1</sup>                            | Function <sup>2</sup>                                                                                                                                                                                        | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|------------------------------------------|---------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                          |                                             | Review the financial trustee and scheme financial vehicle's performance in accordance with the instrument of appointment.                                                                                    | <p>The instrument of appointment (IOA) for the Financial Trustee (FT) contains provisions requiring the FT to procure that the SFV provide a report to the FT and CT outlining the SFV's performance against the 'Performance Criteria'. The IOA defines Performance Criteria as the 'performance criteria notified to the Scheme Financial Vehicle by, and finalised following consultation with, the Consumer Trustee'.</p> <p>The CT has not reviewed SFV performance in accordance with 'Performance Criteria' in the IOA because the Performance Criteria has not been agreed by all parties. However, the CT has reviewed performance of the SFV and FT in the following respects:</p> <ul style="list-style-type: none"> <li>the SFV has been providing reporting to the CT via Monthly Management Reports or separate communication that relates to performance of SFV functions, including breach and incident reporting;</li> <li>the CT did a limited review of the FT's performance before the CT's decisions to extend the FT's appointment for one year in July 2024. The CT had regard to this before its decision to extend the FT appointment for two more years in April 2025.</li> </ul> <p>The CT continues to work with the FT and SFV to establish an agreed performance criteria and a process for performance assessment that apply to both the SFV and FT.</p> |
|                                          |                                             | Consider and approve the subsidiary policies of the scheme financial vehicle where the scheme financial vehicle subsidiary policies are not consistent with the subsidiary policies of the consumer trustee. | <p>As noted above, the five subsidiary policies outlined in the RMF were designed by the CT and approved by the ASL Board, acting as the CT, during FY 2022-23. The five SFV subsidiary policies were subsequently approved by the SFV Board.</p> <p>A review of the policies took place during FY 2024, with updated versions approved by the ASL Board, acting as the CT on 17 July 2024. The adoption of the updated policies by the SFV and new SFV policies (excluding Wholesale Electricity Policy) have been approved by the SFV board in May 2025 pending CT Board approval for inconsistencies. A new review of the CT policies is expected to be conducted during FY 2026.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Reporting in relation to risk management | Statutory Risk Management Framework<br>p 18 | Make recommendations to the scheme financial vehicle about the LTES agreements that the scheme financial vehicle may enter.                                                                                  | The Consumer Trustee made formal recommendations to the Scheme Financial Vehicle to enter into LTESAs as a result of Tender Round 5. In finalising the LTESAs and other project documents, limited departures in relation to those documents were accepted. The Consumer Trustee assessed that these departures did not have a material impact on the risk allocation in the contracts and were compliant with the requirements of the EII Act and EII Regulation.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

## ASL

| Function area | Ref <sup>1</sup> | Function <sup>2</sup>                                                                                                                                                                                                                                                                             | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|---------------|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|               |                  | Ensure that the scheme financial vehicle report on the net financial exposure of NSW electricity customers, and impacts on net financial exposure, is included in the audited statutory accounts of the scheme financial vehicle in accordance with the relevant Australian accounting standards. | SFV lodges the audited statutory accounts with Australian Securities & Investments Commission (ASIC). Ernst and Young (EY) are SFV's external auditor, and they declare their independence as part of the annual financial audit. The CT confirms that FY24 Financial Report was provided by the SFV and that the report contained the net financial exposure of NSW electricity customers.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|               |                  | Provide an annual compliance statement to IPART for the purpose of its annual reporting, including a summary of the performance of and any breaches under the Risk Management Framework, including any risk management contract.                                                                  | <p><b><u>Summary of performance</u></b></p> <p>This document includes a summary of performance under the RMF.</p> <p><b><u>CT's potential non-compliance under the RMF</u></b></p> <p>The CT reports a potential non-compliance under the RMF as described below.</p> <p>The RMF (section 5, Table 3) includes a CT responsibility to 'Review the financial trustee and scheme financial vehicle's performance in accordance with the instrument of appointment'.</p> <p>The IOA for the FT contains provisions requiring the FT to procure that the SFV provide a report to the FT and CT outlining the SFV's performance against the 'Performance Criteria'. The IOA defines Performance Criteria as the 'performance criteria notified to the Scheme Financial Vehicle by, and finalised following consultation with, the Consumer Trustee'.</p> <p>The CT has not reviewed SFV performance in accordance with defined 'Performance Criteria' in the IOA because the Performance Criteria has not been agreed by all parties. The CT continues to work with the FT and SFV to establish an agreed performance criteria and a process for performance assessment that apply to both the SFV and FT and is fit for purpose.</p> <p>Per ASL's internal Enterprise Compliance Program, Management decided to identify the delay in establishing 'Performance Criteria' as described above as a potential non-compliance, to take a conservative and transparent approach in reporting to the ASL Board, having regard to the timeline for this workstream having been delayed. However, it is also noted that:</p> <ul style="list-style-type: none"> <li>the RMF obligation does not tie the above responsibility specifically to review against the 'Performance Criteria';</li> <li>the RMF obligation does not require review to occur within defined timeframes; and</li> </ul> |

## ASL

| Function area                                             | Ref <sup>1</sup> | Function <sup>2</sup>                                                                                                                                                                                    | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-----------------------------------------------------------|------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                           |                  |                                                                                                                                                                                                          | <ul style="list-style-type: none"> <li>the CT has reviewed performance of the SFV and FT in the following respects:               <ul style="list-style-type: none"> <li>the SFV has been providing reporting to the CT via Monthly Management Reports or separate communication that relates to performance of SFV functions, including breach and incident reporting;</li> <li>the CT did a limited review of the FT's performance before the CT's decisions to extend the FT's appointment for one year in July 2024. The CT had regard to this before its decision to extend the FT appointment for two more years in April 2025.</li> </ul> </li> </ul> <p>Noting the above, for the purposes of reporting to IPART, the CT has identified the above as a potential non-compliance under the RMF.</p> <p><b><u>SFV reporting to the CT under the RMF</u></b></p> <p>The RMF (section 5, Table 3) includes a requirement for the SFV to report to the CT on its performance against the requirements of the Risk Management Framework and subsidiary policies, including the overall performance of the framework, risk management contracts and any breaches of the Risk Management Framework or SFV subsidiary policies.</p> <p><b>Please refer to section 3 Risk management roles and responsibilities conferred on SFV for the period 1 July 2024 to 30 June 2025 (Received by CT on 6 August 2025).</b></p> |
| Advise the Minister in relation to renewable energy zones | Section 60(4)(a) | The Consumer Trustee is to advise the Minister and the Infrastructure Planner in relation to proposed and declared renewable energy zones and proposed and required REZ network infrastructure projects. | The Consumer Trustee provided advice under section 60(4)(a) in FY25 to EnergyCo, as Infrastructure Planner, in relation to the Hunter Central Coast and New England REZ and also potential network upgrades in REZ that were submitted for modelling in the 2025 IIO Report.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Negotiating in relation to LTES agreements                | Section 60(4)(b) | The Consumer Trustee is to negotiate with a person in relation to LTES agreements, in accordance with the regulations.                                                                                   | The Consumer Trustee exercised the functions contained in section 60(4)(b) during FY25. The Consumer Trustee made formal recommendations to the Scheme Financial Vehicle to enter into LTESAs as a result of Tender Round 5. In finalising the LTESAs and other project documents, limited departures in relation to those documents were accepted. The Consumer Trustee assessed that these departures did not have a material impact on the risk allocation in the contracts and were compliant with the requirements of the EII Act and EII Regulation.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

## ASL

| Function area                                                             | Ref <sup>1</sup>                             | Function <sup>2</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|---------------------------------------------------------------------------|----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Advice and recommendations about network infrastructure projects          | Clause 18 (s 60(4)(c))                       | <p>The Consumer Trustee may, on request of a relevant person, give the relevant person advice about a network infrastructure project.</p> <p>Relevant person means the Minister, the Infrastructure Planner, or the Energy Corporation.</p> <p>The Consumer Trustee may also give the advice to other relevant persons.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <p>The Consumer Trustee provided advice under section 60(4)(a) in FY25 to EnergyCo, as Infrastructure Planner, in relation to the potential network options for the Hunter Central Coast REZ on 17 September 2024 and the New England REZ on 6 December 2024. ASL also provided advice to EnergyCo on the initial modelling results for potential network upgrades as part of the 2025 Infrastructure Investment Objectives Report on 9 April 2025.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Recommendations by Consumer Trustee about network infrastructure projects | Clause 19 (ss 60(4)(c) and 66(5)(d))         | <p>The Consumer Trustee must not make a recommendation that the Minister give a direction unless the Consumer Trustee is satisfied the direction is reasonably necessary to achieve the infrastructure investment objectives.</p> <p>A recommendation by the Consumer Trustee must include the recommended contractual arrangements.</p> <p>The Consumer Trustee is not required to assess or review these arrangements before including them in a recommendation.</p> <p>The Consumer Trustee is not required to consider technical information when considering the Infrastructure Planner's recommendations about a REZ network infrastructure project other than technical information—</p> <p>(a) specified in clause 44, and</p> <p>(b) provided to the Consumer Trustee in the Infrastructure Planner's recommendation.</p> | <p>The Consumer Trustee did not exercise its function under section 31(1)(a) to recommend that the Minister direct a network operator to carry out a REZ network infrastructure project in FY25, therefore clauses 19(1), (1A) and (1B) of the EII Regulation are not relevant in FY25.</p> <p>The Consumer Trustee considered technical information, consistent with clause 19(2) of the EII Regulation in deciding to authorise the recommended network operator to carry out the Hunter Central Coast REZ project.</p> <p>The public statement of the Consumer Trustee's reasons for its authorisation decision is available at ASL's website.</p> <p><a href="https://aemoservices.com.au/-/media/services/files/products/rez/hcc/250508-approved-hcc-rnip-notice-of-authorisation.pdf?la=en">https://aemoservices.com.au/-/media/services/files/products/rez/hcc/250508-approved-hcc-rnip-notice-of-authorisation.pdf?la=en</a></p> <p><a href="https://aemoservices.com.au/-/media/services/files/products/rez/hcc/250508-approved-hcc-rnip-statement-of-reasons.pdf?la=en">https://aemoservices.com.au/-/media/services/files/products/rez/hcc/250508-approved-hcc-rnip-statement-of-reasons.pdf?la=en</a></p> |
| Authorisations                                                            | Clause 19B(2) (ss 31(6), 60(4)(c) and 79(1)) | <p>The consumer trustee must not authorise a network operator to carry out a REZ network infrastructure project unless satisfied the project is in the long-term financial interests of NSW electricity customers.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <p>On 16 April 2024, the Consumer Trustee authorised the HCC RNIP in line with the Board's Authorisation Management Framework, that sets out how it is to assess the long-term financial interests of NSW electricity customers consistent with this clause.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|                                                                           | Clause 19B(3) (ss 31(6), 60(4)(c) and 79(1)) | <p>In determining whether it is satisfied the project is in the long-term financial interests</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <p>The Consumer Trustee undertook a cost benefit analysis for the HCC RNIP authorisation in line with this requirement, as set out in the Board's Authorisation</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

## ASL

| Function area | Ref <sup>1</sup>                             | Function <sup>2</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Comments                                                                                                                                                                                                                                                                                                        |
|---------------|----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|               |                                              | of NSW electricity consumers under subclause (2), the consumer trustee must—<br>(a) undertake a cost benefit analysis of the project in accordance with clause 19C and give primary consideration to the analysis, or<br>(b) give primary consideration to the most recent infrastructure investment objectives report as at the time of the infrastructure planner's recommendation in relation to the authorisation.                                                                                                                               | Cost-Benefit Analysis and Maximum Capital Cost Framework. The public Statement of Reasons sets out the Consumer Trustee's reasons.                                                                                                                                                                              |
|               | Clause 19B(4) (ss 31(6), 60(4)(c) and 79(1)) | If the quantitative measurements of the cost benefit analysis are negative, the consumer trustee may be satisfied the project is in the long-term financial interests of NSW electricity customers having regard to both the quantitative measurements and qualitative elements of the cost benefit analysis. <sup>13</sup>                                                                                                                                                                                                                          | On 16 April 2024, the Consumer Trustee authorised the HCC RNIP in line with the Board's Authorisation Management Framework, as it was satisfied that the project is in the long-term financial interests of NSW electricity customers. The public Statement of Reasons sets out the Consumer Trustee's reasons. |
|               | Clause 19B(5) (ss 31(6), 60(4)(c) and 79(1)) | In making an authorisation, the consumer trustee is not required to—<br>(a) investigate the accuracy of the infrastructure planner's recommendations about the project, or<br>(b) consider technical information except for the technical information specified in clause 44, or<br>(c) consider the technical information provided to the consumer trustee in the infrastructure planner's recommendation, or<br>(d) assess or review recommended contractual arrangements by the infrastructure planner before including them in an authorisation. | On 16 April 2024, the Consumer Trustee authorised the HCC RNIP in line with the Board's Authorisation Management Framework, as it was satisfied that the project is in the long-term financial interests of NSW electricity customers. The public Statement of Reasons sets out the Consumer Trustee's reasons. |

<sup>13</sup> When authorising a network operator the consumer trustee is also required to do so in a way that is consistent with the objects of the Act. See the Act, section 3(3).

## ASL

| Function area                 | Ref <sup>1</sup>                             | Function <sup>2</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-------------------------------|----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                               | Clause 19B(6) (ss 31(6), 60(4)(c) and 79(1)) | An authorisation must require the network operator to enter into the recommended contractual arrangements.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Clause 7 of the Notice of Authorisation for the HCC NRIP that was published on ASL's website on 8 May 2025 sets out the requirement for the Network Operator to enter into the Project Deed <a href="#">250508-approved-hcc-nrip-notice-of-authorisation.pdf</a>                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Contribution determination    | Clause 39 (ss 60(4), 61(2) and 63(4))        | The Consumer Trustee must, if requested to do so by the Regulator, provide information to the Regulator that the Regulator considers reasonably necessary to enable the regulator to make a contribution determination.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <p>The Consumer Trustee exercised this function during the year as it complied with the 'Information notice' issued to the NSW Electricity Roadmap scheme entities and submitted the data and information requested as outlined in the Contribution Determination Guidelines issued in August 2024.</p> <p>Upon submitting the requested information, there were no subsequent information requested from the Consumer Trustee from the regulator.</p>                                                                                                                                                                                                                                                 |
| Functions of Consumer Trustee | Clause 42A(2) (s 60(4))                      | <p>The Consumer Trustee has the following functions in relation to an access scheme if the circumstances set out in subclause (1) are met.</p> <p>(a) make rules, in consultation with the infrastructure planner, about the conduct of a competitive tender in relation to the granting or increasing of access rights, and</p> <p>(b) for a competitive tender requested by the infrastructure planner, conduct the competitive tender—</p> <p>(i) within 60 days after the request, or</p> <p>(ii) at the same time as the first competitive tender for an LTES agreement that occurs after 60 days after the request, or</p> <p>(iii) if there is no competitive tender for an LTES agreement within 8 months of the request—by no later than 8 months after the request and</p> <p>(b1) give the infrastructure planner information—</p> <p>(i) received by the consumer trustee as part of a competitive tender, and</p> <p>(ii) relating to the type, magnitude and timing of a person's proposed</p> | <p>The Consumer Trustee exercised the functions contained in clause 42(A)(2) during FY25.</p> <p>The Consumer Trustee exercised this function prior to FY25. The updated Tender Rules were published in Government Gazette No 171 on 10 May 2024.</p> <p>The Consumer Trustee conducted a tender for Access Rights for South-West (SW) REZ at the request of EnergyCo and following the publication of the SW REZ Access Scheme Declaration on 12 April 2024, to make recommendations to the Infrastructure Planner on the grant of Access Rights.</p> <p>The Consumer Trustee made a recommendation to EnergyCo on the granting of Access Rights under the SW REZ Access Scheme in December 2024.</p> |

## ASL

| Function area                              | Ref <sup>1</sup>          | Function <sup>2</sup>                                                                                                                                                                                                                                                                                 | Comments                                                                                                                                                                                                                                                                                  |
|--------------------------------------------|---------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                            |                           | <p>connection to an access rights network, and</p> <p>(c) make recommendations to the infrastructure planner based on the outcome of the competitive tender, and</p> <p>(d) prepare a report on the competitive tender and the recommendations and give the report to the infrastructure planner.</p> |                                                                                                                                                                                                                                                                                           |
| Appoint financial trustee                  | Section 61(1)             | The Consumer Trustee is to appoint a Financial Trustee, subject to the requirements in section 66 of the EII Act.                                                                                                                                                                                     | Following a review, by the Consumer Trustee of the appropriateness of EQT to act as the Financial Trustee (subject to the requirements of section 66 of the EII Act), the Consumer Trustee extended EQT's appointment on 8 May. The appointment now has an end date of 15 September 2027. |
| Consultee for annual audit plans           | Clause 69(2)(a) (s 67)    | The Consumer Trustee, as an 'audit subject' for the purposes of Part 13 of the EII Regulation, is to be consulted by the Regulator if the Regulator proposes to audit the Consumer Trustee under the plan.                                                                                            | The Regulator (IPART) consulted with the Consumer Trustee in April 2024, and the Consumer Trustee provided a response to the Regulator.                                                                                                                                                   |
| Consultee for scope of audits              | Clause 71(2)(a)(i) (s 67) | The Consumer Trustee, as an audit subject for the purposes of Part 13 of the EII Regulation, is to be consulted by the Regulator in determining the scope of the audit.                                                                                                                               | The Regulator (IPART) did not commence consultation on an audit scope in FY2024-2025.                                                                                                                                                                                                     |
| Consultee for performance audit guidelines | Clause 72(4)(a) (s 67)    | The Consumer Trustee, as an audit subject for the purposes of Part 13 of the EII Regulation, is to be consulted by the Regulator in developing or reviewing the performance audit guidelines.                                                                                                         | The Regulator (IPART) consulted with the Consumer Trustee in April 2024, and the Consumer Trustee provided a response to the Regulator.                                                                                                                                                   |
| Give information to the auditor            | Clause 74 (s 67)          | The Consumer Trustee, as an audit subject for the purposes of Part 13 of the EII Regulation, must, if requested to do so by an auditor, provide information to the auditor that the auditor considers reasonably necessary for the audit.                                                             | The auditor did not request for information that it considers reasonably necessary for an audit in FY2024-2025.                                                                                                                                                                           |



## ASL

| Function area                            | Ref <sup>1</sup>       | Function <sup>2</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Comments                                                                                                                 |
|------------------------------------------|------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|
| Consultee for audit reports              | Clause 75(2)(a) (s 67) | The Consumer Trustee, as an audit subject for the purposes of Part 13 of the EI Regulation, is to be consulted by the auditor before publishing an audit report.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | The auditor did not commence consultation on an audit report in FY2024-2025.                                             |
| Suspension or termination of appointment | Section 68(1)-(3)      | <p>The appointor<sup>14</sup> may suspend or terminate the appointment of a person or body under this Part by giving written notice to the person or body.</p> <p>The appointor may suspend or terminate the appointment of a person or body only if an audit of the performance of the person or body carried out under section 67 finds incompetence, misconduct or incapacity.</p> <p>Before terminating the appointment of a person or body under this Part, the appointor must–</p> <p>(a) advise the person or body in writing that the person or body's performance is unsatisfactory and the basis on which it is unsatisfactory, and</p> <p>(b) provide the person or body with an opportunity to make submissions and consider the submissions received.</p> | The Consumer Trustee was not required to exercise the functions contained in sections 68(1)-(3) as of 30 June 2025.      |
| Annual reports                           | Section 70(1)          | The Consumer Trustee must, as soon as reasonably practicable after the end of each financial year, provide the Regulator with a report on the exercise of functions under this Act during the financial year.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | The Consumer Trustee exercised the functions contained in sections 70(1) in FY 2024-2025.                                |
| Delegation                               | Section 71(3)          | The Consumer Trustee may delegate any of its functions, other than the power of                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | The Consumer Trustee did not exercise the right to delegate the functions contained in section 71(3) as of 30 June 2025. |

<sup>14</sup> Section 65 defines the Consumer Trustee as the appointor in relation to the appointment of the Financial Trustee

## ASL

| Function area                          | Ref <sup>1</sup> | Function <sup>2</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Comments                                                                                                                                                                                                                                                                                                                                                              |
|----------------------------------------|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                        |                  | delegation, to a person of a class prescribed by the regulations.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                       |
| Authorisations - cost-benefit analysis | Clause 19C(1)    | <p>A cost benefit analysis for an authorisation must consider the following—</p> <ul style="list-style-type: none"> <li>(a) the costs to the NSW electricity customers from the project,</li> <li>(b) the benefits to NSW electricity customers from generation and storage infrastructure connecting to the project,</li> <li>(c) the costs and benefits under different scenarios,</li> <li>(d) if required to understand the impact of uncertainty in the project's costs and benefits—a sensitivity analysis,</li> <li>(e) the costs or benefits from the expected change in greenhouse gas emissions as a result of the project,</li> <li>(f) the costs to finance the project, including interest costs.</li> </ul> | The Consumer Trustee conducted a cost-benefit analysis consistent with these clauses as part of its decision to authorise the HCC RNIP on 16 April 2024. The Authorisation Assessment Report provides detail for the ASL Board to consider the results of the cost benefits analysis in accordance with the Cost Benefit Analysis and Maximum Capital Cost Framework. |
|                                        | Clause 19C(2)    | <p>The cost benefit analysis must—</p> <ul style="list-style-type: none"> <li>(a) not include scenarios inconsistent with the infrastructure investment objectives, and</li> <li>(b) not include an options analysis of alternatives or variants to the REZ network infrastructure projects recommended by the infrastructure planner, and</li> <li>(c) not assess distributional impacts or carry out a distributional analysis, and</li> <li>(d) not consider the costs and benefits to government or electricity producers as a result of the REZ network infrastructure project.</li> </ul>                                                                                                                           | The Consumer Trustee conducted a cost-benefit analysis consistent with these clauses as part of its decision to authorise the HCC RNIP on 16 April 2024. The Authorisation Assessment Report provides detail for the ASL Board to consider the results of the cost benefits analysis in accordance with the Cost Benefit Analysis and Maximum Capital Cost Framework. |
|                                        | Clause 19C(3)    | The cost benefit analysis must be in accordance with the <i>NSW Government Guide to Cost-Benefit Analysis</i> published by                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | The Consumer Trustee conducted a cost-benefit analysis consistent with these clauses as part of its decision to authorise the HCC RNIP on 16 April 2024.                                                                                                                                                                                                              |

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| Function area                            | Ref <sup>1</sup>      | Function <sup>2</sup>                                                                                                                                                                                                                                  | Comments                                                                                                                                                                                                                               |
|------------------------------------------|-----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                          |                       | the NSW Treasury on its website from time to time. <sup>15</sup>                                                                                                                                                                                       |                                                                                                                                                                                                                                        |
|                                          | Clause 19C (5)        | Without limiting any other disclosure, the consumer trustee may disclose the assumptions, scenarios, results or forecasted costs and benefits in relation to the cost benefit analysis to—<br>(a) the Secretary, or<br>(b) the infrastructure planner. | Disclosure of cost-benefit analysis results were conducted in accordance with this clause, and the Consumer Trustee's Authorisation Cost Benefit Analysis and Maximum Capital Cost Framework and the Information Management Procedure. |
| Tender rules                             | Clause 29             | This clause prescribes further matters that the Consumer Trustee must deal with in making rules for a competitive tender.                                                                                                                              | The Consumer Trustee exercised this function prior to FY25. The Tender Rules were published in Government Gazette No 171 on 10 May 2024.                                                                                               |
| Notification of existing maximum amounts | Sch 1 cl 2 of the Act | The Consumer Trustee must give the Minister written notice of each existing maximum amount within 1 week of the commencement of this clause.                                                                                                           | On 26 November 2024, the Consumer Trustee notified the Minister for Energy of the existing maximum capital cost amounts for the Central West-Orana main and enabling REZ network infrastructure projects, consistent with this clause. |

<sup>15</sup> The cost benefit analysis must be in accordance with the *NSW Government Guide to Cost-Benefit Analysis* published by the NSW Treasury on its website from time to time.

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## Section 3 – Risk management roles and responsibilities conferred on SFV for the period 1 July 2024 to 30 June 2025 (Received by CT on 6 August 2025)

The Scheme Financial Vehicle (**SFV**) is required to report to the consumer trustee (CT) on its performance against the requirements of the Risk Management Framework (**RMF**) and subsidiary policies, including the overall performance of the framework, risk management contracts (**RMCs**) and breaches of the RMF or SFV subsidiary policies. The information in this section has been provided by the SFV and is issued in accordance with the RMF and in response to a letter of request to the SFV from the **CT** dated 23 July 2025 (**CT Letter**).

| Risk Management Roles – SFV                        | SFV Role / Responsibility – Risk Management Framework (RMF)                                                    | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|----------------------------------------------------|----------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>LTES Related activities</b>                     | Review and decide on the recommendations on LTES agreements made by the consumer trustee.                      | During FY25 the CT made formal recommendations to SFV to enter LTESAs as a result of Tender Round 5. Following receipt and consideration of the recommendations, SFV must enter into the LTESAs provided it is not aware of any breach of requirements under applicable law and the Risk Management Framework. Following its review of the recommendations, SFV did not identify any such breaches and following review approved execution of the Round 5 LTESAs.                                                                                                                                                                                                                                                                                                                                      |
|                                                    | Execute and manage the approved LTES agreements.                                                               | Relying on the CT recommendations, SFV executed three Round 5 LTESAs on 20 February 2025.<br><br>The SFV is responsible for managing and monitoring the financial risks under awarded LTESAs. The SFV reports regularly to the consumer trustee (by way of monthly management reports ( <b>MMR</b> )) on LTESA risks outlined in the RMF. SFV's management of the LTESAs has complied with the relevant provisions of the RMF and SFV subsidiary policies and acted in a commercially reasonable and prudent way.                                                                                                                                                                                                                                                                                      |
|                                                    | Provide the AER with all necessary information for it to make the contribution determination.                  | SFV provided all necessary information to the AER within the timeframes set by the AER, as per section 56(7) of the EII Act and the AER Contribution Determination Guidelines for the FY26 Contribution Determination.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Risk management contract related activities</b> | Independently analyse the financial product risk to inform the decisions to execute risk management contracts. | SFV measures and monitors financial risk associated with LTESAs in accordance with the RMF and subsidiary policies. The risks are evaluated by SFV and integrated into its liquidity management and risk management processes to ensure it can continue to meet its payment obligations as they fall due and quantifies the exposure to wholesale electricity prices. During FY25, SFV had three RMCs in place to manage the liquidity risk associated with its LTESA and other contracts.<br><br>During FY25 there were no LTESA annuity products or swaps activated, hence there was no active financial product risk to be managed via an RMC.<br><br>The form and terms of the LTESAs are recommended to SFV by the CT, with SFV responsible for monitoring and managing this inherent LTESA risk. |

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| Risk Management Roles – SFV | SFV Role / Responsibility – Risk Management Framework (RMF)                                           | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-----------------------------|-------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                             | <p>Make independent decisions to execute and manage risk management contracts.</p>                    | <p>Execution of Project Development Agreements by SFV is legislatively enabled by a combination of Section 52(1) of the EI Act and clauses 3.6 and 7.1 of the RMF, which explicitly include a Project Development Agreement as a form of RMC. The CT recommends the form and terms of both the LTESAs, and the Project Development Agreements associated with each LTESA. The recommendations and expert advice provided by the CT directly inform SFV's execution and administration of RMCs.</p> <p>At the start of FY25, SFV had 14 Project Development Agreements (each an RMC) in place relating to Tender Rounds 1-4; and 3 other RMCs (financing agreements).</p> <p>During FY25, SFV executed a further 3 Project Development Agreements associated with the Round 5 LTESAs and received requests for consideration of changes to five existing Project Development Agreements. SFV received expert advice from CT in relation to the approach CT recommended in respect of those requests and while this informed SFV Board, an independent decision in relation to the management of those RMCs was undertaken.</p> <p>SFV managed the risks associated with RMCs during FY25. This was achieved in part through MMR reporting which includes detailed reporting on both Project Development Agreements and other RMCs, including compliance with the financing facilities, for both the SFV Board and the CT to allow for monitoring of SFV financial risk management activities.</p> |
|                             | <p>Adapt, approve and implement the subsidiary policies.</p>                                          | <p>During FY25 SFV had five subsidiary policies in place (previously approved during 2022/23) which were consistent with the CT subsidiary policies.</p> <p>The RMF provides that the CT must notify SFV of approved revisions to its subsidiary policies and adopt those as soon as practicable unless otherwise authorised by CT.</p> <p>During FY25 SFV was notified that CT had updated its subsidiary policies and provided proposed changes to the SFV subsidiary policies. SFV considered the changes necessary to its subsidiary policies and identified the changes it believed were appropriate, but with some minor inconsistencies being identified which required approval of the ASL Board, acting as the consumer trustee, before SFV could adopt the new policies. SFV was notified of this approval on 30 July 2025.</p> <p>Following receipt of the approval of the consumer trustee and after 30 June 2025, SFV has adapted and implemented the four revised subsidiary policies.</p> <p>The WEP remains in place from 2023 and is currently under discussion between CT and SFV.</p>                                                                                                                                                                                                                                                                                                                                                                                         |
|                             | <p>Seek approval from the consumer trustee where scheme financial vehicle subsidiary policies are</p> | <p>The RMF provides that the CT must notify the SFV of approved revisions to its subsidiary policies. These amendments must be adopted by the SFV as soon as practicable unless otherwise authorised by the CT.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

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| Risk Management Roles – SFV                     | SFV Role / Responsibility – Risk Management Framework (RMF)                                                                                                         | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                 | proposed to not be consistent with the subsidiary policies of the consumer trustee.                                                                                 | <p>During FY25 SFV was notified that the CT had updated its subsidiary policies. As required under the RMF, SFV is obliged to consider the revisions as outlined above. Following the review, SFV submitted four revised subsidiary policies to the CT.</p> <p>A small number of inconsistencies were identified between the CT and SFV subsidiary policies and the four subsidiary policies were approved by the ASL Board, acting as the consumer trustee on 22 July 2025 as required under the RMF. SFV was notified of this approval on 30 July 2025.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Reporting in relation to risk management</b> | Ensure that differences between risk management contracts and LTES agreements are managed (including basis risk)                                                    | <p>For the purposes of the RMF, there are 3 types of RMCs which may be applicable for SFV at this stage in its maturity:</p> <ul style="list-style-type: none"> <li>• Project Development Agreements – 17 in place at 30 June 2025, with 1 of the 17 where the LTES Operator had reached Commercial Operations Date (COD) (30 June 2024: 14 PDAs, with nil at COD).</li> <li>• Financing facilities – 3 at 30 June 2025 (30 June 2024: 3).</li> <li>• RMCs to hedge the financial risk on LTESAs – nil at 30 June 2025 (30 June 2024: nil).</li> </ul> <p>There is no basis risk, as defined in the EII Regulations, created by the first two types of RMCs.</p> <p>In relation to the third type, during FY25 there were no LTESA annuity products or swaps activated, hence there was no active financial product risk to be managed via an RMC. There was also no need for a Hedging Policy (as referenced in the Wholesale Electricity Subsidiary Policy).</p> <p>SFV managed the risks associated with RMCs during FY25. This was achieved in part through MMR reporting which includes detailed reporting on both Project Development Agreements and other RMCs, including compliance with the financing facilities, for both the SFV Board and the CT to allow for monitoring of SFV financial risk management activities.</p> |
|                                                 | Ensure that the net effect of risk management contracts and LTES agreements reduce the net exposure of the NSW electricity customers contributing to Roadmap costs. | <p>For the purposes of the RMF, there are 3 types of RMCs which may be applicable for SFV at this stage in its maturity. The effect of the RMCs on the net exposure of the NSW electricity customers contributing to Roadmap costs is outlined below.</p> <ul style="list-style-type: none"> <li>• Project Development Agreements – monitor the development of projects awarded LTESAs from award until COD, and then in respect of Social Licence Commitments throughout the duration of the PDA and LTESA. SFV manages the PDA in accordance with their terms and seeks guidance from the CT when requests for changes to timeframes or other project considerations are made.</li> <li>• Liquidity facilities – ensure that the SFV can meet its liquidity needs and</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

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| Risk Management Roles – SFV | SFV Role / Responsibility – Risk Management Framework (RMF)                                                                                                                                                                                                                                                           | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                             |                                                                                                                                                                                                                                                                                                                       | <p>ensure the appropriate funding of contract commitments across a range of different market scenarios.</p> <ul style="list-style-type: none"> <li>RMCs in relation to LTESA risk – as noted above, during FY25 there were no LTESA annuity products or swaps activated, hence there was no active financial product risk to be managed via an RMC.</li> </ul> <p>The Electricity Infrastructure Fund (EIF) liquidity risk management activities (including LTESA and cash flow forecasting and monitoring) undertaken by the SFV are effective in ensuring SFV is managing key financial risks to protect the interests of NSW electricity customers.</p> <p>Monitoring of financial risks and their reporting in the MMR provided to the CT, via the Financial Trustee (FT), in compliance with the requirements of the SFV Treasury and Liquidity Policy and the SFV Counterparty Credit Policy provide an effective mechanism to reduce the net exposure of NSW electricity customers.</p>                                                                                                             |
|                             | Provide its audited statutory accounts and an annual report to IPART and consumer trustee.                                                                                                                                                                                                                            | <p>SFV provided its annual report to the CT and the FT including the audited financial report for the period ending 30 June 2024. Ernst and Young (EY) are SFV's external auditor, and they declare their independence as part of the annual financial audit.</p> <p>SFV is not required to provide IPART with an annual report under section 70 of the EII Act. Rather, the SFV is subject to performance audits by IPART under section 67 of the EII Act and ongoing financial reporting audits pursuant to Australian Accounting Standards. SFV additionally prepares financial reports about the EIF in accordance with clause 34(1) of the EII Regulation.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|                             | Report to the consumer trustee on its performance against the requirements of the Risk Management Framework and subsidiary policies, including the overall performance of the framework, risk management contracts and any breaches of the Risk Management Framework or scheme financial vehicle subsidiary policies. | <p>SFV has satisfied its obligation to report to the consumer trustee on its performance against the RMF requirements through this Report in response to the CT Letter.</p> <p>During FY25 SFV has notified the CT of 5 breaches of the RMF and the subsidiary policies and were reported as such. Three of the breaches have been resolved and two are under active management. The three closed breaches relate to maintenance of a register, monthly reporting and development of reporting requirements.</p> <p>SFV has not identified any additional breaches arising in the period 1 July 2024 to 30 June 2025 that have not been reported.</p> <p>On the 2 matters identified in the CT Letter for which specific comment was sought:</p> <ul style="list-style-type: none"> <li>Treasury and Liquidity Subsidiary Policy – it was identified that some payments had been made that were not in compliance with the internal approval process. Upon identification, SFV conducted a review, determined that the payments were consistent with approved budget or contractual obligations</li> </ul> |

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| Risk Management Roles – SFV | SFV Role / Responsibility – Risk Management Framework (RMF) | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-----------------------------|-------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                             |                                                             | <p>and the requirements of the EII Act. The breach has been fully remediated, payments ratified and improved processes implemented.</p> <ul style="list-style-type: none"><li>• RMF – the SFV is accountable under the RMF to develop and implement an Enterprise Risk Management Framework (ERMF). SFV is currently developing a comprehensive ERMF aligned with ISO 31000 for adoption and implementation during FY26. The SFV has established a second line risk function.</li></ul> |



**For further information please contact:**

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