

Ms Christine Allen
Director, Regulation & Compliance
Independent Pricing and Regulatory Tribunal NSW

By email: [REDACTED]

Dear Ms Allen

Thank you for IPART's letter dated 20 May 2025 regarding the Annual Report on the exercise of functions under the *Electricity Infrastructure Investment Act 2020* (EII Act). I appreciate you bringing this matter to my attention.

On 12 July 2024, the Hon Penny Sharpe MLC officially appointed the NSW Environment Protection Authority (EPA) as the NSW Electricity Infrastructure Roadmap Regulator. Before this appointment, the EPA was prescribed as the default regulator for Part 12 functions under the Electricity Infrastructure Investment Regulation 2021 (EII Regulation).

During the 2024/25 financial year, the relevant parties signed the following agreements to help the EPA meet its obligations under the EII Act and EII Regulation:

- Appointment Agreement – giving effect to the EPA's formal appointment as regulator under the Instrument of Appointment, and
- Scheme Administration Cost Payment Agreement – detailing the costs and invoicing arrangements between the parties to give effect to the conferral of functions under the Instrument of Appointment and the Appointment Agreement.

The EPA continues to fulfil its roles and responsibilities under Part 12 of the EII Regulation. The attached table outlines how we've addressed each obligation during the 24-25 financial year.

If you have any further questions about the information provided, please contact Michele Weight, Manager, Environment Protection Policy, EPA on [REDACTED]

Yours sincerely

STEVE BEAMAN PSM
Acting Chief Executive Officer

30 July 2025

Enclosure: Table 1 Functions of the Regulator (EPA) under the EII Act and EII Regulation (FY 2024-25)

cc: [REDACTED]

Table 1 Functions of the Regulator (EPA)¹ under the EII Act and EII Regulation (FY 2024-25)

Function area	Ref ²	Function	Comments
Offset requirements	Clause 62(3) (s 46(2)(f))	The Regulator must estimate the cost of offset units and determine a reasonable administration fee.	The EPA has not needed to undertake this function to date. The EPA continues to work closely with the Department of Climate Change, Energy, the Environment and Water (DCCEEW), and the Scheme Financial Vehicle (SFV) to ensure a straightforward and effective process is established to enable the transfer of funds between the relevant parties and allow offsets to be procured and surrendered when required.
Offset requirements	Clause 63(2) (s 46(2)(f))	The Regulator must procure and surrender the offset units required to be procured and surrendered by an LTES operator who made a payment under clause 62(3) instead of procuring and surrendering the offset units.	The EPA has not needed to undertake this function to date.
Contribution determinations	Clause 39A (s 64(4))	A Regulator must, if requested to do so by another regulator that is making a contribution determination (the second regulator), give the second regulator information the second regulator considers reasonably necessary to enable the making of the contribution determination	The EPA has and will continue to provide its contribution determination to the Australian Energy Regulator when requested.
Calculations	Clause 64	Prescribes the requirements for the Regulator to make a calculation under Part 12, Division 3 of the regulations.	The EPA has calculated and published the NSW grid greenhouse gas emissions intensity for the 2021, 2022 and 2023 calendar years. The EPA's webpage with the NSW grid emissions intensity is at: www.epa.nsw.gov.au/Your-environment/Climate-change/Firming-infrastructure/Greenhouse-gas-emissions-intensity-of-the-NSW-electricity-grid To date, the EPA has not needed to calculate offset units.

¹ Clause 41A prescribes the EPA as the regulator for the purposes of exercising functions under Part 12 of the EII Regulation.

² 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.



Function area	Ref ²	Function	Comments
	Clause 65 (s 64(4))	Prescribes the requirements for the Regulator to calculate emissions intensity and offset units.	The EPA has calculated and published the NSW grid greenhouse gas emissions intensity for the 2021, 2022 and 2023 calendar years. The EPA's webpage with the NSW grid emissions intensity is at: www.epa.nsw.gov.au/Your-environment/Climate-change/Firming-infrastructure/Greenhouse-gas-emissions-intensity-of-the-NSW-electricity-grid To date, the EPA has not needed to calculate offset units.
Calculation method	Clause 66	The Regulator must develop a methodology for calculating emissions intensity and offset units. The regulations prescribe the requirements of that methodology.	The EPA has prepared a guide that outlines both the EPA and firming infrastructure operator's roles and responsibilities under Part 12 of the EII Regulation. It includes the methodology for calculating emissions intensity and offset units. The guide is available on the EPA's website and can be found here: www.epa.nsw.gov.au/Your-environment/Climate-change/Firming-infrastructure