

EnergyCo

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Report on EnergyCo's functions as the Infrastructure Planner for FY 2022/23

October 2023



The Energy Corporation of NSW (EnergyCo) is part of the Treasury Cluster

Acknowledgment of Country

We acknowledge that Aboriginal and Torres Strait Islander peoples are the First Peoples and Traditional Custodians of Australia, and the oldest continuing culture in human history.

We pay respect to Elders past and present and commit to respecting the lands we walk on, and the communities we walk with.

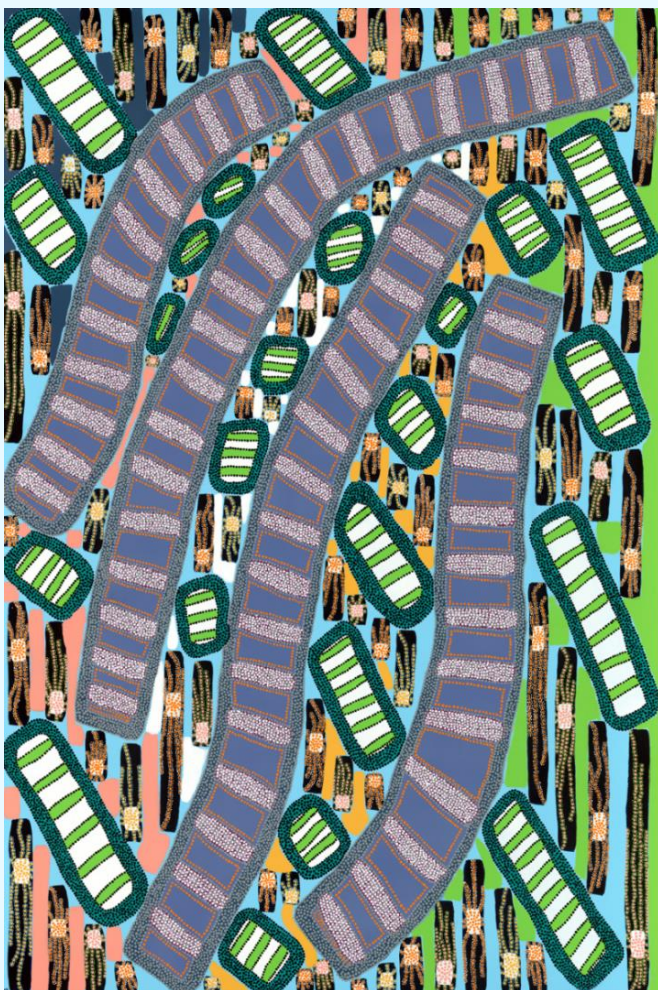
We celebrate the deep and enduring connection of Aboriginal and Torres Strait Islander peoples to Country and acknowledge their continuing custodianship of the land, seas and sky.

We acknowledge the ongoing stewardship of Aboriginal and Torres Strait Islander peoples, and the important contribution they make to our communities and economies.

We reflect on the continuing impact of government policies and practices and recognise our responsibility to work together with and for Aboriginal and Torres Strait Islander peoples, families and communities, towards improved economic, social and cultural outcomes.

Artwork:

Regeneration by Josie Rose



Preface

The Energy Corporation of New South Wales (EnergyCo) Report on EnergyCo's functions as the Infrastructure Planner for Financial Year 2022/23. The Report was first published in September 2023 and is copyrighted by the State of New South Wales through the NSW Treasury. The information provided in this publication is accurate as of September 2023 but is subject to change. To learn more, visit www.energy.nsw.gov.au/copyright.

EnergyCo - October 2023

Note

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Introduction ^

Where appointed as Infrastructure Planner for a PTIP EnergyCo's responsibilities are similar although generally the PTIPs serve and expand core network functions and functionality rather than the connection of new renewable generation in virtual power stations like REZs.

1 Operations ^

1.1 Summary Of Operations

EnergyCo's current operations portfolio is extensive and continues to be refined. During the FY 2022/23 we made significant progress in implementing the Roadmap in collaboration with the other Roadmap entities. Our long-term plan is to transform the NSW energy system in a way that maximises the opportunities, minimises the impacts, and delivers a more sustainable future for the NSW community.

Over the FY 2022/23 we have undertaken the following:

- Continued to deliver **five renewable energy zones**
 - Received Declarations for the South West REZ, Hunter-Central Coast REZ and the Illawarra REZ, formalising the five REZs under the EII Act;
 - Prepared the access scheme order for the Central-West Orana REZ which was declared by the Minister in December 2022;
 - Prepared the draft access scheme order for the South West REZ;
 - Identified and announced a first-ranked proponent for the Central-West Orana REZ network infrastructure project;
 - Identified the preliminary transmission corridor for the New England REZ;
- Continued our role as the **infrastructure planner** for two priority transmission infrastructure projects - the WSB Project and the HTP;
- Supported the Transmission Acceleration Facility (TAF) through managing its design and implementation;
- Worked closely with WaterNSW for the planning and delivery of long-duration storage post 2030;
- Supported the work of the **Roadmap Implementation Board**, the Consumer Trustee's access design tender, and the design and negotiation of Rewiring the Nation;
- Published **EnergyCo's Inaugural Network Infrastructure Strategy** in May 2023

1.2 Declare Access Schemes²

Before making an access scheme declaration the Minister must:

- consult with the Infrastructure Planner and relevant operators who may be affected by an access scheme declaration,

² Section 24 (6) of EIIA

- make a draft declaration publicly available on the Department's website, and
- seek and consider submissions from the public on the declaration.

The Infrastructure Planner exercised this function during the FY 2022/23 as follows.

Central-West Orana REZ

On 18 July 2022, Environment, Climate Change and Sustainability (ECCS) within the Office of Energy and Climate Change (OECC), on behalf of the Minister, wrote to EnergyCo as the Infrastructure Planner for the Central-West Orana REZ to consult on the Draft Central-West Orana REZ Access Scheme Declaration.³

This followed the publication by the Department of the CWO REZ Access Scheme Issues Paper in March 2021, which received over 50 submissions, and a public webinar in April 2021 with around 300 participants. This Issues Paper canvassed three potential models for the CWO REZ Access Scheme, including a limited physical connection model and two financial compensation models.⁴

Based on this initial consultation process, the Department published the REZ access rights and scheme design: Central-West Orana Consultation Paper in December 2021 for an 8-week consultation period. This Consultation Paper outlined proposed design concepts, structural and implementation elements of the access right and scheme to gather feedback. Over 300 attendees participated in a public webinar and 41 stakeholders provided written submissions to the Department.⁵

Following consultation on the draft CWO REZ Access Scheme Declaration⁶ from July to August 2022, the CWO REZ Access Scheme was formally declared by the Minister on 19 December 2022 and published in the NSW Government Gazette on 23 December 2022.

South West REZ

The Draft REZ (South West) Access Scheme Order 2023 was placed on public exhibition by the Minister from March to May 2023.

During this period stakeholders and interested parties were invited to provide feedback to help inform the Minister's decision in relation to the Draft Access Scheme Declaration for the South West REZ. EnergyCo as the IP for the South West REZ together with the OECC hosted an online briefing session about the South West REZ on 28 April 2023.

On 1 May 2023, ECCS, on behalf of the Minister, wrote to EnergyCo as the Infrastructure Planner for the South West REZ to consult on the Draft South West REZ Access Scheme Declaration.⁷ EnergyCo did not provide a formal submission to the Minister/ECCS on the draft access scheme declaration as EnergyCo prepared the draft South West REZ Access Scheme Declaration (and consultation letters) with ECCS and so was informally consulted in preparing the Draft access scheme declaration.

The South West REZ Access Scheme is yet to be declared.

³ Access schemes | EnergyCo (nsw.gov.au)

⁴ Renewable Energy Zones – Access Scheme (nsw.gov.au)

⁵ REZ access rights and scheme design: Central-West Orana - Consultation paper (nsw.gov.au)

⁶ CWO REZ Draft Access Scheme Declaration (Final Draft 130722) (nsw.gov.au)

⁷ Access schemes | EnergyCo (nsw.gov.au)

1.3 Orders Prohibiting Connection to Network Infrastructure⁸ ^

- (a) The Infrastructure Planner may, by order served on a relevant operator, prohibit the relevant operator from allowing a proponent to connect proposed infrastructure to the relevant operator's network infrastructure. The Infrastructure Planner did not exercise this function during FY 2022/23.
- (b) The Infrastructure Planner published draft guidelines on its website about the exercise of its function making orders prohibiting connection to the network infrastructure in a REZ 9 under section 29(6) of the EII Act during the 2021/22 financial year. No further actions had been undertaken by the Infrastructure Planner to finalise these guidelines in FY 2022/23.

1.4 Recommendations To Consumer Trustee About REZ Network Projects¹⁰

Section 30 of the EII Act requires the Infrastructure Planner for a REZ to assess and make recommendation to the Consumer Trustee about REZ network infrastructure projects required for the REZ.

The Infrastructure Planner did not exercise this function as it did not make any recommendations to the Consumer Trustee in the FY 2022/23.

Central-West Orana REZ

In the 2023-24 financial year the Infrastructure Planner intends to prepare an Infrastructure Planner Recommendation Report making recommendations to the Consumer Trustee to authorise a network operator to carry out the Central-West Orana REZ network infrastructure project, incorporating the latest information from industry registration of interest and request for proposal processes, network and electricity market modelling, resource mapping, land-use planning, and stakeholder consultation, to design network infrastructure solutions that deliver optimal benefits.

1.5 EnergyCo Entering Contracts¹¹ ^

The Infrastructure Planner has the function to make and enter into contracts or other agreements in connection with the exercise of its functions under the EII Act.

The Infrastructure Planner exercised this function in FY 2022/23 to facilitate various REZs and PTIPs, including the following.

Waratah Super Battery Project

⁸ Section 29(1) of EII Act

⁹ [Draft guidelines on orders prohibiting connection to network infrastructure in Renewable Energy Zones \(nsw.gov.au\)](#)

¹⁰ Section 30 of EII Act

¹¹ Section 63(4)(a) of EII Act

During the FY 2022/23 EnergyCo as the Infrastructure Planner for the WSB Project undertook a competitive procurement process to select a network operator to carry out the WSB Project, and select one or more persons to assist that network operator to carry out the project.

Following the Infrastructure Planner's Recommendation Report provided to the Minister, in October 2022 the Minister directed Transgrid as the network operator to carry out the WSB Project.

In accordance with that Ministerial direction Transgrid entered into:

- a Network Operator Deed with the WSB Infrastructure Planner that sets out certain rights and responsibilities of the parties to that document with respect to the delivery and operation of the WSB Project; and
- a contract with a subsidiary of Akaysha Energy as the System Integrity Protection Scheme (SIPS) service provider to assist Transgrid carry out the WSB Project by providing the battery component of the project.

In order to facilitate the delivery of the WSB Project, the WSB Infrastructure Planner is also party to a number of ancillary agreements, including a Munmorah Site Tenure Agreement, Munmorah Site Works Agreement, Service Provider Commitment Deed, Munmorah Lease Option Agreement and Project Development Deed.

Other

EnergyCo entered into a wide range of ancillary contracts in the ordinary course of business to facilitate the delivery of various REZs and PTIPs, for example confidentiality and non-disclosure agreements and memorandum of understandings.

1.6 **Generation Infrastructure**¹² ^

Under the EII Act the Infrastructure Planner may exercise the function to investigate, plan, co-ordinate and carry out planning and design of generation infrastructure.

The Infrastructure Planner exercised this function in the FY 2022/23, including the following.

Central-West Orana REZ and New England REZ

EnergyCo as the relevant Infrastructure Planner had undertaken a registration of interest process for developers of generation infrastructure and regularly consults with those developers when planning those REZs.

1.7 **Storage and Network Infrastructure**

Under the EII Act the Infrastructure Planner may exercise the function to investigate, plan, co-ordinate and carry out the planning, design, construction and operation of storage and network infrastructure.

The Infrastructure Planner exercised this function in FY 2022/23, including the following.

Storage infrastructure

¹² S63(4)(b)-(c) of EII Act

- (a) (Emerging Energy Program and the Long Duration Storage Recoverable Grant Program): In July 2022, the administration of the Emerging Energy Program and the Pumped Hydro Recoverable Grants Program (now the Long Duration Storage Recoverable Grants Program) was transferred to EnergyCo. The decision to transfer the administration of both programs was based on EnergyCo's functions under the EUA Act, EnergyCo's enabling legislation, the EII Act and existing delegations from Treasury that together provide EnergyCo with the legal authority to administer both programs.

The Long Duration Storage Recoverable Grants Program is a key action under the Roadmap. At launch, the Program aimed to establish a pipeline of up to 3 GW of feasible pumped hydro energy storage (**PHES**) projects and accelerate and ready their development to make competitive bids for long term energy service agreements, or LTESAs, for Long Duration Storage (**LDS**) under the Electricity Infrastructure Investment Safeguard.

The Program sought to support up to 3GW of PHES projects to help ensure that at least 2GW of storage was established before 2030 in accordance with the infrastructure investment objectives set out in the EII Act. Supporting up to 3GW of projects allowed for an attrition rate, as it was assumed that not all supported projects would be proven feasible or reach the construction stage.

The Program is delivered under the Emerging Energy Program (EEP), which aims to support high-risk, next-generation, dispatchable large-scale energy and storage projects in NSW. In FY 2022/23 five recipients under the Program submitted eight milestones from December 2022 to June 2023, worth a total of \$13.72 million. These milestones were reviewed by the Program team and corresponding milestone payments approved by the appropriate EnergyCo delegate.

The Program has now awarded \$51.8 million of recoverable grants through a single round to six PHES projects (Round 1). These projects have a combined capacity of 2.56 GW. Grants will be recovered when projects reach a financial close (likely 2025 onwards).

- (b) (WaterNSW Funding Agreement): In May 2022, the NSW Government committed \$47.5 million to support the commercialisation of pumped hydro energy storage projects in response to the announced early closure of Eraring power station to support an additional two initiatives:
- (i) \$23.5 million for the Minister for Water and the Treasurer to direct WaterNSW to accelerate Government-led pumped hydro feasibility studies (site investigations) on key WaterNSW assets, including Lake Burrendong in the Central-West Orana REZ; and
 - (ii) \$24 million to be distributed as a second round of recoverable grants (Round 2) to support pre-investment activities with the intention to deliver up to a further 1.4 GW of PHES projects that can compete for LDS LTESAs.

A Funding Agreement was negotiated between EnergyCo and WaterNSW to provide WaterNSW with a \$22.6 million grant to lead and accelerate pumped hydro feasibility studies (site investigations) on WaterNSW assets. The Funding Agreement was executed on 28 June 2023.

Network infrastructure

- (a) (Inaugural Network Infrastructure Strategy): In May 2023, EnergyCo published the inaugural Network Infrastructure Strategy for NSW (the **NIS**). The NIS is a 20-year plan for the practical coordination of NSW network infrastructure to connect new generation and storage in NSW's five REZs and meet the objects set out in the EII Act.

- (b) (Central-West Orana REZ): Please refer to Section 1.21 of this Report for further information on the activities carried out by the Infrastructure Planner during FY 2022/23 to investigate, plan, co-ordinate and carry out the planning and design of the Central-West Orana REZ network infrastructure. EnergyCo also selected a First Ranked Proponent to undertake development in the Central-West Orana REZ. Discussion of the REZ design commenced in May 2023 and included considerations of connection strategy, optimisation of technical design, provisioning of system services, project development agreement, REZ wide coordination and optimising social licence outcomes.
- (c) (New England REZ): Please refer to Section 1.21 of this Report for further information on the activities carried out by the Infrastructure Planner during FY 2022/23 to investigate, plan, co-ordinate and carry out the planning and design of the New England REZ network infrastructure.
- (d) (South West REZ): Please refer to Section 1.21 of this Report for further information on the activities carried out by the Infrastructure Planner during FY 2022/23 to investigate, plan, co-ordinate and carry out the planning and design of the South West REZ network infrastructure.
- (e) (Hunter-Central Coast REZ): Please refer to Section 1.21 of this Report for further information on the activities carried out by the Infrastructure Planner during FY 2022/23 to investigate, plan, co-ordinate and carry out the planning and design of the Hunter-Central Coast REZ network infrastructure.
- (f) (Illawarra REZ): Please refer to Section 1.21 of this Report for further information on the activities carried out by the Infrastructure Planner during FY 2022/23 to investigate, plan, co-ordinate and carry out the planning and design of the Illawarra REZ network infrastructure.
- (g) (WSB Project): Please refer to Section 1.21 of this Report for further information on the activities carried out by the Infrastructure Planner during FY 2022/23 to investigate, plan, co-ordinate and carry out the planning and design of the WSB Project.
- (h) (HTP): Please refer to Section 1.21 of this Report for further information on the activities carried out by the Infrastructure Planner during FY 2022/23 to investigate, plan, co-ordinate and carry out the planning and design of the HTP network infrastructure.

1.8 General Functions¹³ ^

Where EnergyCo is appointed as Infrastructure Planner, it may also exercise any functions it has under the EUA Act as the Infrastructure Planner under the EII Act, to the extent reasonably necessary to:

- enable the Infrastructure Planner to exercise its functions under the EII Act, and
- achieve the objects of the EII Act.

The Infrastructure Planner exercised this function in FY 2022/23, including the following.

¹³ Section 63(5) of the EII Act

- (a) (Acquisition of interest in land): EnergyCo may acquire an interest in land (by agreement or by compulsory process) under the *Land Acquisition (Just Terms Compensation) Act 1991* (EUA Act, section 15). EnergyCo acquired the whole of the freehold property located at 118 Neeleys Lane, Turill in March 2023. This land was acquired on market and without the need for EnergyCo to issue an Open Letter. In this instance, EnergyCo acquired the property in the same way as any other member of the public looking to acquire a property.
- (b) (Enter into contracts): EnergyCo may make and enter into contracts in connection with the exercise of its functions (EUA Act, section 18). Details are provided in Section 1.5 of this Report.
- (c) (Advise and make reports and recommendations to the Minister): A function of EnergyCo is to assist and advise, and make reports and recommendations to, the Minister in respect of matters relevant to the EUA Act and any other Act administered by the Minister, including the EII Act (EUA Act, section 11(1)(c)).

1.9 Annual Reports¹⁴ ^

The Infrastructure Planner must, as soon as reasonably practicable after the end of each financial year, provide to IPART, as the Regulator, with a report on the exercise of its functions under the EII Act during the financial year.

The Infrastructure Planner exercised this function in FY 2022/23 by providing this Report to IPART on the exercise of its functions under the EII Act for FY 2022/23.

1.10 Delegations¹⁵ ^

By the Infrastructure Planner

The Infrastructure Planner may delegate its functions, other than the power of delegation, to any person.

The Infrastructure Planner did not exercise this function in FY 2022/23.

To the Infrastructure Planner

On 13 September 2022 the Minister executed a delegation instrument (**September 2022 Delegation**). This instrument delegated relevant consultation functions of the Minister under s32(3) and s35(1) of the EII Act in relation to the WSB Project and the HTP to Senior Executive Band 3 personnel within EnergyCo.

The delegate provided the outcome of any such consultation to the Minister for the purpose of the Minister exercising the function to direct the network operator to carry out the WSB Project under s.32(1)(b), EII Act.

1.11 Contribution Determination¹⁶ ^

¹⁴ Section 70 of the EII Act

¹⁵ Section 71 of the EII Act

¹⁶ Clause 39 of the EII Regulation

The Infrastructure Planner must, if requested by the Regulator, provide information to the Regulator that would enable the Regulator to make a contribution determination.

The Infrastructure Planner exercised this function in FY 2022/23.

In February 2023, the Regulator (being the Australian Energy Regulator (the **AER**)) made a contribution determination under section 56(1) of the EII Act. EnergyCo as the Infrastructure Planner provided data to the scheme financial vehicle who then provided that data to the Regulator. The Regulator audited the data and used the data to make the final contribution determination.

1.12 **First Nation Guidelines and Renewable Energy Sector Board Plan**¹⁷ ^



In exercising its functions under Part 5 of the EII Act the Infrastructure Planner is required to take into account:

- the guidelines issued by the Minister about consultation and negotiation with the local Aboriginal community in relation to relevant projects for the purpose of increasing employment and income opportunities for the local Aboriginal community (**First Nations Guidelines**); and
- the renewable energy sector board plan approved by the Minister.

The Minister issued the First Nations Guidelines and the Central-West Orana REZ region-specific First Nations Guidelines in August 2022 under section 4 of the EII Act.

OECC published the NSW Renewable Energy Sector Board's Plan (**RESB Plan**) in September 2022.

The Infrastructure Planner exercised this function in FY 2022/23 as follows.

Central-West Orana REZ

The Infrastructure Planner had considered the First Nations Guidelines and the RESB Plan by requiring proponents tendering for the network operator role in the Central-West Orana REZ to demonstrate how they could meet or exceed the requirements in the First Nations Guidelines, the region-specific First Nations Guidelines and the RESB Plan. During the financial year 2023/24 it is expected that an Industry and Participation Plan will be developed with the preferred bidder, once selected, which will set out the specific commitments.

WSB Project

In October 2022 the Infrastructure Planner's Recommendation Report for the WSB Project included recommendations to inform the Minister in setting the First Nations Guidelines and the RESB Plan conditions in the direction issued by the Minister to Transgrid to carry out the WSB Project.

1.13 **Objects of the EII Act**

In exercising a function under the EII Act the Infrastructure Planner must do so in a way that is consistent with the objects set out in the EII Act, including during FY 2022/23 in relation to consultation and engagement with First Nations communities, and promotion of employment and income-generating activities by:

¹⁷ Clause 41 of the EII Regulation (s62 of EII Act)

- providing additional resources to the Central-West Orana REZ First Nations Working Group to increase capacity to engage with renewable energy proponents in the development of their Industry and Aboriginal Participation Plans (and also satisfying the RESB Plan)
- supporting the finalisation of the New England REZ First Nations region-specific guidelines, including developing additional resources to support the New England REZ First Nations Working Group
- investigating pre-employment programs and capacity building opportunities to support First Nations communities benefit from potential employment and income generating opportunities in and from the renewable energy industry
- ongoing liaison with First Nations stakeholders including Local Aboriginal Land Councils, NSW Aboriginal Land Council, and other NSW Government agencies, such as Aboriginal Affairs and Department of Regional NSW and local Councils.

1.14 Community and Stakeholder Engagement ^

EnergyCo is committed to ongoing and meaningful stakeholder engagement with local councils, First Nations people and communities, landholders, and many other stakeholder groups to ensure our projects are welcome in the communities that host them. Community feedback has helped ensure REZ complements existing agricultural and primary-land uses, reflects local priorities, and retains existing economic activity and social values within these regions.

First Nations people

Along with addressing any matters of interest and concern, we work closely with First Nations people and communities to identify and help secure the economic, community and environmental opportunities the Roadmap will enable for these communities. This included:

- Central-West Orana REZ: 84 interactions with First Nations stakeholders and hosting of a First Nations working group every quarter.
- New England REZ: 5 meetings with First Nations stakeholders.

The First Nations Guidelines, required by the EII Act, provide a foundation for increasing employment and income opportunities for First Nations people.¹⁸ The Guidelines were developed based off best practice engagement and with input from First Nations people and communities.

The Project Steering Committee included representatives from:

NSW Aboriginal Land Council	National Indigenous Australians Agency
Aboriginal Employment Strategy	Department of Regional NSW
Native Title Service Corporation	Aboriginal Affairs
NSW Coalition of Aboriginal Regional Alliances	Department of Planning and Environment

¹⁸ NSW Climate and Energy Action, First Nations Guidelines, accessed via [First Nations Guidelines | NSW Climate and Energy Action](#) on 4 August 2023.

Separate working groups consisting of representatives of the local First Nations communities have been created to co-design the region-specific guidelines for Central-West Orana and New England REZs.

Ultimately, the Guidelines outline factors that decision-makers should consider in exercising their functions under the Act. They also outline expectations about best practice consultation and negotiation for increasing employment and income opportunities with local Aboriginal communities for projects delivered under the Roadmap. The Guidelines will be reviewed at least every two years.

Other Engagement Snapshots

(a) Central-West Orana REZ

- 3,440 stakeholder interactions* between January 2022 and July 2023.
- 84 interactions with First Nations stakeholders and hosting of a First Nations working group every quarter.
- 92 meetings with local councils, including Dubbo Shire, Mid-Western Regional, Warrumbungle Shire and Upper-Hunter Shire.
- 243 meetings with landowners.
- 5,500 mailbox drops with project updates.
- 19 pop-up engagement events.
- 15 community information sessions.

(b) New England REZ

- 14 community information sessions with over 400 attendees.
- 49,000 mailbox drops with project updates.
- 28 briefing packs sent to key stakeholder groups.
- 5 meetings First Nations stakeholders.
- 192 landowner letters delivered, and 63 landowner meetings hosted by EnergyCo.
- 134 calls on project hotline.
- 100 email enquiries.
- 146 feedback forms completed to date.

(c) South West REZ

- The Draft REZ Access Scheme was placed on exhibition from 2 March to 15 May 2023, receiving 26 submissions from developers, individuals, a community advocacy group, an industry body, a network service provider, and a consumer advocacy group.
- EnergyCo, with OECC, hosted an online briefing about the Access Scheme on 28 April, with 153 registrations and 113 people joined the live event.
- Established the South West REZ Regional Reference Group, bring together representatives from Aboriginal Land Councils, local councils and regional NSW government agencies.
- Formed the Access Scheme Developer Reference Group for active project developers in the South West to contribute to the design and delivery of the REZ.

(d) Hunter-Central Coast REZ

- Exhibited the draft declaration for public consultation between 28 September and 26 October 2022.
- EnergyCo will continue to engage closely with the local community, government, industry and other stakeholders throughout financial year 2023-24.

(e) Illawarra REZ

- Exhibited the draft declaration for public consultation between 23 December 2022 and 6 February 2023.
- EnergyCo will continue to engage closely with the local community, government, industry and other stakeholders throughout financial year 2023-24.

(f) Waratah Super Battery Project

- 2,700 mailbox drops of newsletters surrounding the Munmorah Power Station site in September 2022.
- Two additional targeted surveys of plants in the local area undertaken in November and December 2022 to investigate species that could not be identified during previous field surveys due to factors such as seasonal considerations, flowering periods, etc.

(g) Hunter Transmission Project

- EnergyCo will continue to conduct preliminary engagement with local councils and other key stakeholders in financial year 2023-24.

1.15 Access Scheme¹⁹ ^

The EII Regulation prescribes several functions on the Infrastructure Planner in relation to the administration of an access scheme.

Competitive tender

The Infrastructure Planner may request the Consumer Trustee to conduct a competitive tender in relation to the granting or increasing of access rights —

- under an access scheme, and
- in accordance with the declaration for the access scheme.

The Infrastructure Planner exercised this function in FY 2022/23.

Under the Renewable Energy Zone (Central-West Orana) Access Scheme, EnergyCo required generation and storage projects that wish to connect to the CWO REZ network infrastructure to seek an access right through a competitive tender process to be conducted by the Consumer Trustee. This was done in accordance with clause 7 of the Access Scheme Order, where the Infrastructure Planner may only grant an access right to an eligible operator under the initial allocation if the Consumer Trustee has recommended the grant of an access right.

¹⁹ Clauses 42C and 42D of the EII Regulation

The Central-West Orana Access Pre-Tender Stage commenced in May 2023 and the expression of interest to join the Pre-Tender Stage has closed.

Access scheme function

The Infrastructure Planner for an access scheme must exercise:

- the access scheme functions for the access scheme if the Infrastructure Planner is appointed to administer the access scheme, or
- a particular access scheme function for the access scheme if the Infrastructure Planner is directed to exercise the function in the declaration for the access scheme.

The Infrastructure Planner exercised this function in FY 2022/23.

EnergyCo is the Infrastructure Planner for the Central-West Orana REZ Access Scheme gazetted in December 2022. It had undertaken the following tasks as part of exercising those functions for the zone:

- Determining the eligibility criteria for the zone's access rights. This was done as part of Consumer Trustee's formal consultation with EnergyCo before the publication of the Tender Rules in March 2023.
- Determining the terms and conditions for the granting of access rights. This was done as part of Project Development Agreement development in consultation with the market, Consumer Trustee and Scheme Financial Vehicle.
- Contributing to other tender collateral developed/in development such as (to be published) Tender Guidelines for Q4 2023 tender, (to be published) Access Rights Addendum for Q4 2023 tender and Access Rights Information Paper published in June 2023.

Community and employment purpose

The Infrastructure Planner for a REZ to which an access scheme applies has the following functions:

- to administer, manage and make payments of money held for use in relation to a community purpose or employment purpose,
- make guidelines about the administration, management and payment of money under this clause.

The EII Regulation Subclause 42D(1) prescribes the conditions for which the functions apply.

This clause came into effect on 30 June 2023. We will report on this in FY 2023/24.

1.16 **Assessment and Recommendation**²⁰

The Infrastructure Planner must assess and make recommendations about the following:

- proposed REZ network infrastructure projects,
- priority transmission infrastructure projects in relation to which the Infrastructure Planner is appointed,
- network operators who may be authorised or directed to carry out —
 - a REZ network infrastructure project, or
 - a priority transmission infrastructure project
- other persons who may assist the network operator to carry out —
 - a REZ network infrastructure project, or

²⁰ Clause 43 of the EII Regulation

- (ii) a priority transmission infrastructure project
- (e) the contractual arrangements that a network operator may be required to enter into to carry out a REZ network infrastructure project or priority transmission infrastructure project under an authorisation (the recommended contractual arrangements).

An assessment and recommendation made by the Infrastructure Planner in relation to a priority transmission infrastructure project must be provided to the Minister.

The Infrastructure Planner exercised this function in FY 2022/23.

WSB Project

The only assessment and recommendations made by EnergyCo in its capacity as Infrastructure Planner for the WSB Project to the Minister during FY 2022/23 were as set out in the Infrastructure Planner Recommendation Report in October 2022. This related to the function under clause 43(1)(b), (c)(ii), d(ii) and (e) of the EII Regulation.

As the appointed infrastructure planner for the WSB Project, EnergyCo was responsible for planning and undertaking early development works for the project and making assessments and recommendations to the Minister regarding the final project scope, the proposed network operator for that project and the persons who may assist the network operator carry out the project.

The WSB Infrastructure Planner Recommendation Report is cabinet in confidence.

Central-West Orana REZ

Under subclause (1)(c), EnergyCo selected ACE Energy as the first ranked proponent for the CWO REZ network infrastructure project.

Under subclause (1)(e), EnergyCo is working with ACE Energy to finalise and enter into a Commitment Deed confirming ACE Energy as the preferred tenderer for the CWO REZ network infrastructure project, and a Project Deed following an authorisation from the Consumer Trustee to appoint ACE Energy as the network operator for the CWO REZ network infrastructure project. The Project Deed is the overarching agreement which governs the carrying out of the project by the Network Operator and provides EnergyCo with oversight of the Network Operator's activities. The Network Operator will need to enter into various ancillary contractual arrangements to enable it to carry out the project.

1.17 **Technical Specification for REZ network infrastructure projects**²¹ ^

The Infrastructure Planner's assessment and recommendations about a REZ network infrastructure project must deal with the following:

- (a) technical specifications about:
 - (iii) proposed routes of the network infrastructure, including substation locations,
 - (iv) connections between proposed and existing network infrastructure, and

²¹ Clause 44 of the EII Regulation

- (v) the operating voltages and network capacity of the network infrastructure,
- (b) how the project will ensure the safe operation of the network infrastructure and the reliability and security of supply, and
- (c) how the project will meet the system strength requirements under the National Electricity Rules (NER) for the NSW region, in accordance with clause 44 of the EII Regulation.

The Infrastructure Planner exercised this function in FY 2022/23.

Central-West Orana REZ

Under subclause (a), EnergyCo had prepared technical specifications, developed by both in-house technical experts and technical advisors. These were reflected in reference designs and specifications for requests for tender for projects and were also used in the NIS published in May 2023 and project materials for public consultation for the Central-West Orana REZ Project Update published in September 2022.

The specifications addressed matters including:

- (c) proposed routes of the network infrastructure, including substation locations
- (d) connections between proposed and existing network infrastructure
- (e) the operating voltages and network capacity of the network infrastructure.

Under subclause (b), EnergyCo ensured safety and reliability of electricity infrastructure were assessed by including requirements for safety in the request for tender for projects. It also included a Network Operator Performance Regime that sets standards and commercial incentives to ensure an appropriate level of reliability of electricity supply.

Under subclause (c), the Network Operator is required to comply with the National Electricity Rules, which include requirements about security of electricity supply. For each REZ, EnergyCo may either (at its discretion) require the Network Operator to install system strength remediation as part of the specification for REZ Network Infrastructure or have generators connecting to the REZ to rely on the System Strength Service Provider for NSW.

Under contractual arrangements between EnergyCo and network operators, EnergyCo can and does impose contractual obligations on relevant network operators to generally comply with law when discharging the functions of network operator, which would include compliance with the National Electricity Rules. For example, the WSB Network Operator Deed between EnergyCo and Transgrid, under which Transgrid is contractually obliged to discharge its obligations consistently with applicable Laws (which is defined to include the NER and NEL).

1.18 **Competitive Assessment Process**²² ^

The Infrastructure Planner may carry out a competitive assessment process in relation to —

- (a) a proposed REZ network infrastructure project, or
- (b) a priority transmission infrastructure project in relation to which the Infrastructure Planner is appointed.

Subclauses (2)-(4) prescribes the requirements if the Infrastructure Planner carries out a competitive assessment process.

The Infrastructure Planner exercised this function in FY 2022/23.

²² Clause 45 of the EII Regulation

Central-West Orana REZ

Under subsection (a), EnergyCo as the Central-West Orana Infrastructure Planner selected ACE Energy as the first ranked proponent for the Central-West Orana REZ network infrastructure project in April 2023 after an ongoing competitive tender process that commenced in December 2021.

WSB Project

The Minister appointed EnergyCo as the Infrastructure Planner for the WSB project under the Priority Transmission Infrastructure Project Direction (Waratah Super Battery Project) Order 2022 that commenced in October 2022. Under subclause (b), following a competitive procurement process conducted throughout 2022 EnergyCo recommended in the WSB IP Recommendation Report that a subsidiary of Akaysha Energy provide the SIPS battery services to assist Transgrid to carry out the WSB project.

During the FY 2022/23 the WSB Infrastructure Planner also undertook a competitive assessment process to identify suitable “paired generator” service providers who could curtail generation load in the event the SIPS was activated to ensure security of electricity supply. That process is ongoing and is expected to conclude during the 2023/24 financial year where Transgrid would enter into paired generator service agreements with the successful generators in accordance with the Minister’s direction to Transgrid to carry out the WSB Project.

1.19 Revenue Determinations²³ ^

The Regulator must consult the Infrastructure Planner before the Regulator makes a revenue determination.

The Infrastructure Planner must give the Regulator all information about an infrastructure project that the Regulator considers reasonably necessary to make the revenue determination, including information about or obtained from a competitive assessment process.

The Infrastructure Planner exercised this function in FY 2022/23.

WSB Project

EnergyCo as the Infrastructure Planner for the WSB Project consulted with the AER as the Regulator through regular meetings, responded to requests for information, and facilitated AER staff joining all expression of interest and invitation to tender evaluation panel meetings as observers.

EnergyCo also provided the AER with information about the process and outcomes of the competitive assessment process in accordance with the requirements set out in AER’s revenue determination guideline for NSW contestable network projects.

On the 14 December 2022 the AER published a revenue determination for the SIPS service battery component of the WSB Project setting out amounts to be paid by the Scheme Financial Vehicle to Transgrid for the SIPS battery service component of the WSB Project.²⁴

Central-West Orana REZ

²³ Clause 49(1)&(2) of the EII Regulation

²⁴ Waratah Super Battery project – SIPS battery service (contestable) | Australian Energy Regulator (aer.gov.au)

EnergyCo as the Infrastructure Planner for the Central-West Orana REZ consulted with, and will continue to consult with the AER during the 2023/24 financial year in a similar way.

New England REZ, Hunter-Central Coast REZ and HTP

EnergyCo as the Infrastructure Planner for these REZs and PTIP have ongoing discussions with, and consult with, the AER about the status of these respective projects.

1.20 Project Work Snapshot For the 2022/23 & 2023/24 Financial Year ^

REZ locations were selected by the NSW Government in 2018 following a detailed geospatial mapping exercise to identify optimal locations to host renewable energy generation. Since then, EnergyCo has refined the geographical areas through public consultation and collaboration with a range of NSW Government entities and other parties.

The NIS outlines three key initiatives:

1. **Deliver Now** - 14 GW of 'no regret' projects to be delivered as soon as practicable by 2033, which will comprise of at least 12 GW of generation capacity and 2 GW of long-duration storage capacity.
2. **Secure Now** - options that will bolster the State's resilience to early coal closures and infrastructure delivery delays.
3. **Plan for the Future** - options to unlock deep electrification and decarbonisation to support NSW's long-term energy needs and enable a net zero future.

EnergyCo has undertaken a series of projects to operationalise these initiatives to date, with the following sections detailing the REZs, PTIPs and other Roadmap acceleration actions undertaken during the FY 2022/23.

Project / Actions	Summary
REZ Projects	
Central-West Orana	<ul style="list-style-type: none"> ✓ First-ranked proponent for the project announced. ✓ Developed an implementation plan outlining initiatives to coordinate impacts and benefits to communities in the REZ. ✓ Planning approvals currently in progress, with the Environmental Impact Statement, which to be placed on public exhibition later this year (once final alignment for the REZ transmission project is confirmed).
New England	<ul style="list-style-type: none"> ✓ Identified the preliminary transmission corridor to host essential electricity transmission infrastructure in New England and the Upper Hunter to connect the New England REZ into the rest of the State's electricity network. ✓ REZ Declaration and PTIP Determination completed.
Hunter-Central Coast	<ul style="list-style-type: none"> ✓ REZ Declaration and PTIP Determination completed.
South West	<ul style="list-style-type: none"> ✓ Draft Access Scheme declaration made and Access Scheme Declaration in progress. ✓ First towers erected in Project EnergyConnect. Transgrid lifted the first towers on what will be the country's largest electricity transmission project linking NSW and South Australia; while this is not an EnergyCo-coordinated project, it will form the transmission backbone of the South West REZ.
Illawarra	<ul style="list-style-type: none"> ✓ REZ Declaration completed.
Priority transmission infrastructure projects (PTIPs)	
Waratah Super Battery	<ul style="list-style-type: none"> ✓ Planning approval granted. ✓ Construction commenced and is expected to be completed before August 2025, becoming the first project supported by the Transmission Acceleration Facility.
Hunter-Sydney network infrastructure	<ul style="list-style-type: none"> ✓ Commenced engagement with stakeholders and will recommend a direction or authorisation of a Network Operator in the following financial year.

Project / Actions	Summary
upgrade – Hunter Transmission	

The Table below outlines other Roadmap acceleration actions undertaken during the financial year.

Table 1 Other Roadmap acceleration actions summary

Actions	Summary
Other Roadmap acceleration actions	
NSW Network Infrastructure Strategy	✓ Published during FY2022/23 and details a 20-year strategy to transform the NSW electricity network.
Long Duration Storage Recoverable Grants program	<ul style="list-style-type: none"> ✓ Worked closely with WaterNSW and the Department of Planning and Environment for the delivery of long-duration storage post-2030. ✓ \$51.85 million worth of grants awarded under the Long Duration Storage Recoverable Grants program to six projects with a combined capacity of almost 2.56 GW.
Strategic Benefit Payments Scheme	✓ Design and announcement of the Strategic Benefit Payment scheme for private landowners hosting transmission infrastructure.
Rewiring the Nation	✓ Supported the Rewiring the Nation design and negotiation.
Consumer Trustee's auction design	✓ Supported AEMO Services Ltd in its role as the Consumer Trustee's auction design.

1.21 Renewable Energy Zones

Central-West Orana REZ ^

REZ development status



Overview

The State's first REZ in the Central-West Orana region is currently in development phase. The REZ is approximately 20,000 km², centred by Dubbo and Dunedoo, on the land of the Wiradjuri, Wailwan and Kamilaroi people.²⁵ The Project will be serviced by new network infrastructure, including high-capacity transmission lines and energy hubs, which will transfer power generated by solar and wind farms to electricity consumers.²⁶

Central-West Orana is one of two REZs with large generation potential and good access both to quality renewable resources and to the existing electricity network.²⁷ The REZ will initially unlock at least 3 GW of new network capacity by the mid-2020s, enough to power 1.4 million homes.²⁸

EnergyCo is leading the development of Central-West Orana REZ as Infrastructure Planner. This role includes community and stakeholder consultation, property negotiations and planning approvals, early route design and undertaking a competitive tender process to appoint a Network Operator to design, build, finance and operate the REZ network infrastructure.

EnergyCo has selected a first-ranked proponent, ACE Energy, who if authorised by the Consumer Trustee as the Network Operator for the Central-West Orana REZ network infrastructure project, will commence construction in late 2024 with targeted first power in 2027.

Achievements within FY 2022/23

- **The final Central-West Orana REZ Access Scheme** was made in early 2023 to the support Consumer Trustee's tender including access rights for the Central-West Orana REZ.

²⁵ EnergyCo, Central-West Orana Renewable Energy Zone, accessed via [Central-West Orana Renewable Energy Zone | EnergyCo \(nsw.gov.au\)](#).

²⁶ EnergyCo, Central-West Orana Renewable Energy Zone, accessed via [Central-West Orana Transmission Project | EnergyCo \(nsw.gov.au\)](#).

²⁷ EnergyCo, NSW Network Infrastructure Strategy, 2023, p. 31, accessed via [NSW Network Infrastructure Strategy](#).

²⁸ EnergyCo, Central-West Orana Renewable Energy Zone, accessed via [Central-West Orana Renewable Energy Zone | EnergyCo \(nsw.gov.au\)](#).

- **A Scoping Report** for the REZ network infrastructure was submitted to the NSW Department of Planning and Environment in September 2022 and EnergyCo expects to lodge an Environmental Impact Statement (EIS) in late 2023.
- **Secured potential funding** availability for the strategic biodiversity offsets strategy for REZs and transmission projects through the Transmission Acceleration Facility. EnergyCo is working closely with the newly established Biodiversity Credits Taskforce responsible for operating the Biodiversity Credits Supply Fund to fast-track the supply of biodiversity credits.
- **Identified demand scenarios** for the Central-West Orana REZ are being reviewed by the Taskforce, and a specialist advisor has been engaged by EnergyCo to lead consultation with the Taskforce, National Parks and Wildlife Services and other key government stakeholders to develop a delivery strategy for strategic biodiversity offsets for the Central-West Orana REZ.
- **Draft Regional Energy Strategy** was prepared and further consultation with key internal and targeted consultation is underway to develop a refined strategy which prioritises opportunities to improve REZ communities' access to reliable, affordable and clean energy.
- **Established a community reference group** to provide an open forum for discussion between EnergyCo, the community and key stakeholders regarding the REZ project and broader REZ issues.
- **EnergyCo continued to investigate telecommunications upgrades** in the REZ, including through ongoing constructive consultation with the NSW Telco Authority and Regional NSW which identified tangible opportunities to enhance connectivity in REZ regions.
- **Developed requirements** for the provision of co-located telecommunications infrastructure in the tender for the Central-West Orana REZ network infrastructure.
- **Developing an implementation plan** outlining initiatives to coordinate impacts and benefits to communities in the REZ. Next financial year, the final alignment for the REZ transmission project will be presented in the EIS which will be placed on public exhibition.

New England REZ ^

REZ development status



Overview

EnergyCo is in the early stages of planning a REZ in the New England Region, centred around Armidale on the lands of the Biripi, Dainggatti, Nganyaywana, Ngarabal, and Gumbainggir people.²⁹

New England is the other of two REZs with large generation potential, with good access both to quality renewable resources and to the existing electricity network.³⁰ The New England REZ is intended to have a network capacity of 8 GW³¹ with potential for a further 2 GW to be delivered.

EnergyCo is in the early stages of assessing what new network infrastructure should be built to unlock and service the New England REZ.³²

All modelled scenarios indicate that at least 6 GW more network capacity will be required by 2034.

Accordingly, EnergyCo has proposed that the 6 GW be delivered in two stages to allow consideration of market and delivery issues while the New England REZ is being developed. The NIS proposes the network arrangements laid below.

Deliver Now	Add 6 GW of network capacity, with new lines to connect four new substation hubs to the existing network between Bayswater and the Tamworth–Armidale line. This is proposed over two stages of 2.4 GW and 3.6 GW.
Secure Now	Add 0.8 GW of network capacity by 2029 by upgrading an existing line between Armidale and Carrai to leverage the full benefits and ancillary services of LDS.
Plan for the Future	Add 1.5 GW of network capacity with a new line to the north-west and further reinforcement of deliver now infrastructure.

Achievements during FY 2022/23

- **Options Evaluation Report and preliminary options** identified a preferred study corridor and a detailed engagement program.
- EnergyCo has commenced preliminary works on the **Deliver Now options** based off engagement held with local communities and stakeholders.
- **Seven community information sessions** were conducted to gain feedback from the community and stakeholders.³³

²⁹ EnergyCo, New England Renewable Energy Zone, accessed via [New England Renewable Energy Zone | EnergyCo \(nsw.gov.au\)](#).

³⁰ EnergyCo, NSW Network Infrastructure Strategy, 2023, p. 35, accessed via [NSW Network Infrastructure Strategy](#).

³¹ EnergyCo, NSW Network Infrastructure Strategy, 2023, p. 35, accessed via [NSW Network Infrastructure Strategy](#).

³² EnergyCo, New England Renewable Energy Zone, accessed via [New England Renewable Energy Zone | EnergyCo \(nsw.gov.au\)](#).

³³ EnergyCo, New England Transmission Project, accessed via [New England Transmission Project | EnergyCo \(nsw.gov.au\)](#).

- **Consultation** with the market on the Network Operator competitive procurement process commenced with further consultation to be held into the next financial year to refine the study corridor to the final reference design.

South West REZ ^

REZ development status



Figure 1 South West REZ development status

Overview

EnergyCo is in the early stages of planning a region in the South West region of NSW around Hay on the lands of the Wiradjuri, Yorta Yorta, Baraba Baraba, Wemba Wemba, Wadi Wadi, Madi Madi, Nari Nari, Dadi Dadi, Kureinji and Yitha Yitha people.³⁴

The South West REZ has high-quality renewable energy resources with compatible land uses.³⁵ The REZ was formally declared on 4 November 2022, with an intended network capacity of 2.5 GW. This capacity is planned to be delivered by the three Integrated System Plan projects (ISP Projects): Project EnergyConnect, HumeLink and VNI West.³⁶

The ISP Projects are being delivered by Transgrid (and its partners) who have the key role of planning the delivery of major transmission projects across NSW.³⁷ Project EnergyConnect ISP adds a new 900km transmission line to connect the network infrastructure of South Australia, Victoria and NSW, traversing the South West REZ. Construction began in 2022. HumeLink ISP is a new 500kV transmission line which will connect Wagga Wagga, Bannaby and Maragle.

It is anticipated the Project EnergyConnect and HumeLink will unlock around 2.5 GW of transmission capacity to support the South West REZ.³⁸ The South West REZ is expected to receive up to \$2.8 billion in private investment by 2030 and is expected to support over 2,000 construction jobs in the region.³⁹

Achievements during FY 2022/23

³⁴ EnergyCo, South West Renewable Energy Zone, accessed via [South West Renewable Energy Zone | EnergyCo \(nsw.gov.au\)](https://www.energyco.nsw.gov.au/south-west-renewable-energy-zone).

³⁵ EnergyCo, NSW Network Infrastructure Strategy, 2023, p. 42, accessed via [NSW Network Infrastructure Strategy](https://www.energyco.nsw.gov.au/nsw-network-infrastructure-strategy).

³⁶ EnergyCo, NSW Network Infrastructure Strategy, 2023, p. 42, accessed via [NSW Network Infrastructure Strategy](https://www.energyco.nsw.gov.au/nsw-network-infrastructure-strategy).

³⁷ Transgrid, EnergyConnect, accessed via [EnergyConnect - Australia's Largest Transmission | Transgrid](https://www.transgrid.com.au/energyconnect).

³⁸ EnergyCo, South West Renewable Energy Zone, accessed via [South West Renewable Energy Zone | EnergyCo \(nsw.gov.au\)](https://www.energyco.nsw.gov.au/south-west-renewable-energy-zone).

³⁹ EnergyCo, South West Renewable Energy Zone, accessed via [South West Renewable Energy Zone | EnergyCo \(nsw.gov.au\)](https://www.energyco.nsw.gov.au/south-west-renewable-energy-zone).

- **First transmission towers were erected in Project EnergyConnect** by Transgrid on what will be the country's largest electricity transmission project linking NSW and South Australia and forming the transmission backbone of the South West REZ.
- **Draft Access Scheme Declaration** prepared and published by EnergyCo and OECC for the South West REZ.
- **Closed an expression of interest for industry stakeholders and developers** to participate in a South West REZ Developer Reference Group to help inform the design and development of the REZ and Access Scheme.

Hunter-Central Coast REZ ^

REZ development status



Figure 2 Hunter-Central Coast REZ development status

Overview

EnergyCo is in the early stages of planning a REZ in the Hunter and Central Coast regions on the lands of the Awabakal, Bahtabah, Biraban, Darkinjung, Mindaribba, Wanaruah and Worimi people.⁴⁰

The REZ is expected to host smaller generation and storage projects as nearby coal-fired powers retire, support future offshore wind development, and become a hub for expanded low-emission industrial development in the region. It would leverage its existing electricity, port and transport infrastructure, as well as a large skilled workforce.⁴¹

The capacity of the REZ is likely to increase over time with the retirement of coal-fired power generation, repurposing of mining land and growth of the offshore wind industry in the region.⁴² The intended capacity of the REZ does not include the Hunter Transmission project, which would deliver up to 8 GW of additional capacity from inland REZs.⁴³

If the forecast growth in demand occurs, modelling suggests it would need just under 3 GW more network capacity by 2043. To meet the declared, modelled and potential long-term needs of the HCC REZ, the NIS proposes substantial upgrades to the network, as laid out below.

⁴⁰ EnergyCo, Hunter-Central Coast Renewable Energy Zone, accessed via [Hunter-Central Coast Renewable Energy Zone | EnergyCo \(nsw.gov.au\)](#).

⁴¹ EnergyCo, NSW Network Infrastructure Strategy, 2023, p. 39, accessed via [NSW Network Infrastructure Strategy](#).

⁴² EnergyCo, Hunter-Central Coast Renewable Energy Zone, accessed via [Hunter-Central Coast Renewable Energy Zone | EnergyCo \(nsw.gov.au\)](#).

⁴³ EnergyCo, Hunter-Central Coast Renewable Energy Zone, accessed via [Hunter-Central Coast Renewable Energy Zone | EnergyCo \(nsw.gov.au\)](#).

Deliver Now	Add 1 GW of network capacity, with two new and one upgraded line to connect new substation hubs to the existing network in the Upper Hunter.
Secure Now	Add 0.5 GW of network capacity with a new switching station. The exact timing of these options, including their potential addition to Deliver Now, would be assessed by EnergyCo as Infrastructure Planner prior to recommending any project to the Consumer Trustee for authorisation.
Plan for the Future	Add 1.5 GW of network capacity by meshing the Muswellbrook substation with the Tamworth–Liddell line and upgrading the Liddell–Tomago line.

The WSB Project and the HTP will also be critical to the strategic delivery of the Hunter-Central-Coast REZ and potentially supporting the commissioning of other REZs, such as Central-West Orana and New England.

Achievements during FY 2022/23

- **Identified** preferred Network Infrastructure Options.
- **Consultation commenced** with prospective generation and storage proponents during FY 2022/23 and expect the Network Operator delivery pathway to be approved by the government and in place within the next financial year.
- **Ongoing engagement with Regional NSW** to drive and support including through participation as a member in Steering Committees and working groups with other key government agencies in the Hunter-Central Coast region.
- **Commencement of joint planning with local network service providers** Transgrid and Ausgrid to inform project options and scope for the REZ, which may include minor augmentations to the existing network to relieve current constraints.
- **Continued to work with government agencies** and industry in the region to maximise regional economic benefits in the region from the energy transition.

Illawarra REZ ^

REZ development status



Figure 3 Illawarra REZ development status

Overview

EnergyCo is in the early stages of planning a REZ in the Illawarra region of NSW. The Illawarra REZ is located on the land of the Dharawal people.

The REZ was formally declared on 27 February 2023, with an intended network capacity of 1 GW⁴⁴ and is expected to host smaller generation and storage projects and support future offshore wind development.

The region has strong potential for investment in new green hydrogen and steel industries, which would leverage its existing workforce, robust supply chain and establish manufacturing plant.⁴⁵

It is expected the capacity of the REZ may increase over time with the growth of emerging industries such as green hydrogen, offshore wind and green steel manufacturing.⁴⁶

The Illawarra REZ was not modelled in the NIS due to its early-stage development at the time of modelling for the Strategy.

Achievements during FY 2022/23

- REZ Declaration for the project, that declaration being the first step in formalising a REZ under the EII Act.

1.22 Priority Transmission Infrastructure Projects ^

There are currently two PTIPs that EnergyCo was appointed as the Infrastructure Planner, being the HTP and WSB Project.⁴⁷

Both PTIPs form part of the 'Sydney Ring' project, which was an actionable ISP project in the Draft 2022 ISP before those projects were transferred to the NSW regulatory framework.⁴⁸

The Table below provides an overview of total downstream network capacity to be added and plan for the future. Following sections provide more detail on progress made on the WSB Project and the HTP.

Waratah Super Battery Project ^

Overview

To ensure NSW continues to have a reliable energy supply following the anticipated early closure of the Eraring Power Station in 2025, the NSW Government is delivering the WSB Project. The project will be delivered on Awabakal and Darkinjung country.⁴⁹

The WSB Project is the first PTIP scheduled to be delivered under the EII Act. The WSB Project will be delivered by 2025 with an estimated construction cost of \$900 million (for the battery and existing minor network upgrades). Additionally, it is the first project supported by the Transmission Acceleration Facility.

The project is expected to stimulate up to \$1 billion in private investment into new energy storage and associated network augmentations, support over 100 jobs during construction and generate capital investment in the Hunter and Central Coast regions.⁵⁰

⁴⁴ EnergyCo, Illawarra Renewable Energy Zone, accessed via [Illawarra Renewable Energy Zone | EnergyCo \(nsw.gov.au\)](#).

⁴⁵ EnergyCo, NSW Network Infrastructure Strategy, 2023, p. 45, accessed via [NSW Network Infrastructure Strategy](#).

⁴⁶ EnergyCo, Illawarra Renewable Energy Zone, accessed via [Illawarra Renewable Energy Zone | EnergyCo \(nsw.gov.au\)](#).

⁴⁷ EnergyCo, NSW Network Infrastructure Strategy, 2023, p. 46, accessed via [NSW Network Infrastructure Strategy](#).

⁴⁸ EnergyCo, NSW Network Infrastructure Strategy, 2023, p. 46, accessed via [NSW Network Infrastructure Strategy](#).

⁴⁹ EnergyCo, Waratah Super Battery, accessed via [Waratah Super Battery | EnergyCo \(nsw.gov.au\)](#).

⁵⁰ EnergyCo, Waratah Super Battery, accessed via [Waratah Super Battery | EnergyCo \(nsw.gov.au\)](#).

The WSB Project provides a virtual transmission solution that will unlock latent capacity in the existing transmission system, allowing consumers in the Sydney, Newcastle and Wollongong demand centres to access more energy from existing generators.⁵¹

Achievements during FY 2022/23

- The **NSW Minister for Planning declared** the potential development of the WBS Project on the Munmorah site as Critical State Significant Infrastructure (CSSI) on 2 September 2022.⁵²
- **The Minister appointed Transgrid as Network Operator** to carry out the WSB Project on 14 October 2022.⁵³
- **EnergyCo recommended in October 2022 that a subsidiary of Akaysha Energy assist Transgrid to carry out the project** by providing the **SIPS battery component for the project**.
- The WSB handover occurred and **construction on the project commenced** with completion expected before August 2025.
- **The EIS was publicly exhibited** between 11 November and 8 December 2022.
- **The AER made a contestable revenue determination** in December 2022.
- **Planning Approval was granted** for the construction and operation of the project in February 2023.
- **Handover to the SIPS battery service provider and commencement of construction on the WSB** on 31 May 2023.

Hunter Transmission Project ^

Overview

The Hunter Transmission Project (HTP) will be the most significant upgrade to NSW's core electricity infrastructure in over 40 years and will facilitate the transfer of electricity generated the New England, Central-West Orana, and Hunter-Central Coast REZs into the Hunter-Sydney-Illawarra regions, where 80% of the state's electricity is consumed.

In August 2022, EnergyCo was appointed Infrastructure Planner for this PTIP. The Project will provide critical transfer capacity for Roadmap infrastructure and form the backbone of the NSW electricity network for generations to come. Both the Commonwealth and State governments recognise the strategic importance of the HTP, identifying the project as critical for ensuring ongoing energy security in NSW.⁵⁴

The HTP adds 5 GW of network capacity with potential for more if needed. Without the HTP Stage 1, the network would only have enough downstream capacity to support 3 GW of generation output combined from these three REZs. With HTP Stage 1 in place, this could be increased to as much as 8 GW of generation capacity.⁵⁵

Similarly, without HTP Stage 2, the Central-West Orana and New England REZs would be limited to a total of 8 GW of concurrent generation capacity in addition to system security constraints.⁵⁶

In July 2022, the HTP was declared as Critical State Significant Infrastructure by the NSW Minister for Planning. This declaration reflected the HTP's importance in enabling the delivery of the Roadmap, and its identification by the NSW Energy Security Target Monitor (EST Monitor)(AEMO) in its May

⁵¹ EnergyCo, Waratah Super Battery, accessed via [Waratah Super Battery | EnergyCo \(nsw.gov.au\)](#).

⁵² EnergyCo, Waratah Super Battery, accessed via [Waratah Super Battery | EnergyCo \(nsw.gov.au\)](#).

⁵³ EnergyCo, Waratah Super Battery, accessed via [Waratah Super Battery | EnergyCo \(nsw.gov.au\)](#).

⁵⁴ EnergyCo, Hunter Transmission Project, accessed via [Hunter Transmission Project | EnergyCo \(nsw.gov.au\)](#).

⁵⁵ EnergyCo, NSW Network Infrastructure Strategy, 2023, accessed via [NSW Network Infrastructure Strategy](#).

⁵⁶ EnergyCo, NSW Network Infrastructure Strategy, 2023, accessed via [NSW Network Infrastructure Strategy](#).

2022 update to the EST Monitor Report December 2021 as essential infrastructure to ensure potential breaches of the EST are avoided following the potential closure of the Eraring Power Station.

Achievements during the FY 2022/23

- EnergyCo commenced **community engagement** and may recommend that the Minister give a direction or authorisation of a Network Operator in 2024 to carry out the project.

1.23 Other Acceleration Operations for Roadmap Delivery ^

During FY 2022/23 EnergyCo undertook the following supporting measures to accelerate the implementation of the Roadmap:

- Design and announcement of the **Strategic Benefit Payment Scheme** for private landowners hosting transmission infrastructure, the first of its kind in Australia. Under the Scheme, private landowners in NSW will receive annual payments for hosting certain infrastructure associated with new major high-voltage transmission projects that are critical to the energy transformation and the future of the energy grid on their land for a period of 20 years.
- With ECCS, design and negotiation of **Rewiring the Nation**, which will enable \$4.7 billion from the Commonwealth to join with \$3.1 billion from the NSW Transmission Acceleration Facility, to help NSW realise the Roadmap.
- **Consumer Trustee's Auction Design** in which EnergyCo supported AEMO Services (the Consumer Trustee) in its auction or tender design.
- **Supporting the Roadmap Implementation Board** which replaced the Roadmap Board Taskforce. The Roadmap Implementation Board has been critical to the collaboration and partnership between Roadmap entities and partners. EnergyCo looks forward to continuing our active involvement in this important forum.
- Development of a **Memorandum of Understanding (MoU)** with the Department of Planning and Environment to improve planning assessment timeframes and reduce development application fees for REZ projects and PTIPs.
- **Undertaking several studies** on workforce accommodation, telecommunications, training and skills, waste and roads and transport across the Central-West Orana REZ to understand potential constraints and opportunities for enabling infrastructure and services which will be critical to REZ delivery and minimising cumulative impacts on regional communities.
- **Long-term energy storage** for which the Consumer Trustee ran a competitive tender process to offer Long-Term Energy Service Agreements (LTESAs) to project developers.
 - LTESAs will provide revenue certainty for private investment in new renewable energy generation, firming and long-duration storage, which will help secure finance for project construction.
 - LTESAs will provide generators with the option to sell their electricity at an agreed minimum fixed price to a Scheme Financial Vehicle that will be appointed by the NSW Government. LTESAs will also be entered into with owners of firming and long-duration storage projects.

1.24 **Summary** ^

For a summary of this document refer to the Short Form (Attachment 2) which was also submitted by the Infrastructure Planner.



More information

- [Electricity Infrastructure Investment Act 2020](#)
- [Electricity Infrastructure Roadmap webpage](#)
- [Electricity Infrastructure Roadmap detailed report](#)
- [About EnergyCo • Renewable Energy Zones webpage](#)
- [EnergyCo projects](#)
- [Network Infrastructure Strategy for NSW](#)

Further Assistance

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1 Infrastructure Planner

Table 1 Functions of the Infrastructure Planner under the EII Act

Function area	Ref ^a	Function	Mandatory (Y/N)	Comments
Consultee about declarations of access regimes	Section 24(6)(a)	The Minister must consult the Infrastructure Planner before the Minister declares an access scheme that will apply in a renewable energy zone, or part of a renewable energy zone.	Y	<p>The Infrastructure Planner exercised this function in FY 2022-23.</p> <p>On 18 July 2022, Environment, Climate Change and Sustainability, on behalf of the Minister for Energy (Minister), wrote to EnergyCo as Infrastructure Planner for the Central-West Orana renewable energy zone (CWO REZ) to consult on the Draft Central-West Orana REZ Access Scheme Declaration. In December 2022, the Minister declared the Central-West Orana REZ Access Scheme following consultation. It was published in the Gazette on 23 December 2022.</p> <p>The Draft REZ (South West) Access Scheme Order 2023 was placed on public exhibition by the Minister from March to May 2023. On 1 May 2023, Environment, Climate Change and Sustainability, on behalf of the Minister, wrote to EnergyCo as the Infrastructure Planner for the South West renewable energy zone to consult on the Draft South West REZ Access Scheme Declaration. This access scheme is yet to be declared.</p> <p>For South West REZ the Deputy Secretary of ECCS (on behalf of the Minister) formally consulted with EnergyCo as the IP on the draft access scheme declaration (in accordance with s24 of the EII Act). EnergyCo did not provide a formal submission to the Minister/Dep Sec on the draft access scheme declaration as Energy Co prepared the draft access scheme declaration (and consultation letters) with ECCS and so was informally consulted with in preparing the access scheme declaration.</p>
Orders prohibiting connection to network infrastructure	Section 29(1)	The Infrastructure Planner may, by order served on a relevant operator, prohibit the relevant operator from allowing a proponent to connect proposed infrastructure to the relevant operator's network infrastructure.	N	The Infrastructure Planner did not exercise this function in FY 2022-23.
	Sections 29(2)-(5)	The Infrastructure Planner must seek and consider submissions from relevant parties ^b and must not make an order unless they are satisfied of the criteria in section 29(4).	Y	The Infrastructure Planner did not exercise the functions in FY 2022-23 as no order was made under section 29(1).

Function area	Ref ^a	Function	Mandatory (Y/N)	Comments
	Section 29(6)	The Infrastructure Planner is to publish guidelines on its website about the exercise of its functions under section 29.	Y	<p>The Infrastructure Planner did not exercise this function in FY 2022-23.</p> <p>The Infrastructure Planner published the draft guidelines on orders prohibiting connection to network infrastructure in REZs in FY 2021-22. No further actions had been undertaken to finalise the guidelines in FY 2022-23.</p>
Recommend REZ network infrastructure projects for renewable energy zone	Section 30	The Infrastructure Planner for a renewable energy zone (currently EnergyCo) is to assess and make recommendations to the Consumer Trustee about REZ network infrastructure projects required for the renewable energy zone.	Y	<p>The Infrastructure Planner did not exercise this function as it did not make any recommendations to the Consumer Trustee in FY 2022-23.</p> <p>In FY 2023-24, the Infrastructure Planner intends to make recommendations to the Consumer Trustee to authorise a REZ network infrastructure project and the network operator to carry out the CWO REZ network infrastructure project, incorporating the latest information from industry registration of interest and request for proposal processes, network and electricity market modelling, resource mapping, land-use planning, and stakeholder consultation, to design network infrastructure solutions that deliver optimal benefits.</p>
Contracts	Section 63(4)(a)	The Infrastructure Planner has the function of contracting in connection with the exercise of its functions under the EII Act.	N	<p>The Infrastructure Planner exercised this function in FY 2022-23.</p> <p>The Infrastructure Planner entered into a range of contracts to facilitate various Renewable Energy Zones (REZs) and Priority Transmission Infrastructure Projects (PTIPs). Details are provided in section 1.2 of this report.</p>
Generation, storage and network infrastructure	Section 63(4)(b)-(c)	The Infrastructure Planner is to investigate, plan, co-ordinate and carry out planning and design of generation infrastructure. The Infrastructure Planner is to investigate, plan, co-ordinate and carry out planning, design, construction and operation of storage and network infrastructure.	Y	<p>The Infrastructure Planner exercised the functions in section 63(4)(b)-(c) in FY 2022-23. Examples include the following.</p> <p>In May 2023, EnergyCo published the Network Infrastructure Strategy for NSW (the NIS). The NIS is a 20-year plan for the practical coordination of NSW network infrastructure to connect new generation and storage in NSW's five REZs and meet the objects set out in the EII Act.</p> <p>EnergyCo ran a competitive process to select a First Ranked Proponent who, if successful, would be recommended to be authorised as network operator to build own operate and maintain REZ network infrastructure in the CWO REZ. As part of this process certain early development work has been undertaken by and on behalf of EnergyCo in its capacity as infrastructure planner in order to accelerate delivery of the REZ, facilitate social licence with host communities and coordinate with generation projects who, if awarded access rights, will connect to the REZ network infrastructure once built and connected. Discussion of CWO REZ design commenced in May 2023 and included considerations of connection strategy, optimisation of technical design, provisioning of system services, project development agreement, REZ wide coordination and optimising social licence outcomes.</p>

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				<p>In July 2022, the administration of the Emerging Energy Program and the Pumped Hydro Recoverable Grants Program (now the Long Duration Storage Recoverable Grants Program) was transferred to EnergyCo. The decision to transfer the administration of both programs was based on EnergyCo's functions under the <i>Energy and Utilities Administration Act 1987</i> (EUA Act), EnergyCo's enabling legislation, the EII Act and existing delegations from Treasury that together provide EnergyCo with the legal authority to administer both programs.</p> <p>In 2022-23, five recipients submitted eight milestones from December to June, worth a total of \$13.72 million. These milestones were reviewed by the Program team and approved by the appropriate EnergyCo delegate.</p> <p>A Funding Agreement was negotiated between EnergyCo and WaterNSW to provide WaterNSW with a \$22.6 million grant to lead and accelerate pumped hydro feasibility studies (site investigations) on WaterNSW assets. The Funding Agreement was executed on 28 June 2023.</p>
General functions	Section 63(5)	<p>Where EnergyCo is appointed Infrastructure Planner, EnergyCo may exercise the functions it has under the EUA Act as the infrastructure planner under the EII Act to the extent reasonably necessary to:</p> <ul style="list-style-type: none"> - enable the infrastructure planner to exercise its functions under the EII Act; and - achieve the objects of the EII Act. 	N	<p>The Infrastructure Planner exercised this function in FY 2022-23.</p> <p>Examples of EnergyCo exercising this function include:</p> <ul style="list-style-type: none"> • EnergyCo may acquire land (by agreement or by compulsory process) under the Land Acquisition (Just Terms Compensation) Act 1991 (EUA Act, section 15). EnergyCo acquired the whole of the freehold property located at 118 Neeleys Lane, Turill in March 2023. This land was acquired on market and without the need for EnergyCo to issue an Open Letter. In this instance, EnergyCo was the same as any other member of the public looking to acquire a property. • EnergyCo may make and enter into contracts in connection with exercise of its functions (EUA Act, section 18). Details are provided in section 1.2 of this report. • A primary object of EnergyCo is to assist and advise, and make reports and recommendations to, the Minister in respect of matters relevant to the EUA Act and any other Act administered by the Minister (EUA Act, section 11(1)(c)).

Function area	Ref ^a	Function	Mandatory (Y/N)	Comments
				<p>In terms of EnergyCo exercising its function of assisting, advising, making reports and recommendations to the Minister during FY 22-23, this was confined to EnergyCo's assessment and recommendations made to the Minister in its Infrastructure Planner recommendation report on October 2022.</p> <p>Under the EII Regulation, the IP must, among other things, assess and make recommendations about PTIPs in relation to which the IP is appointed (cl 43(1)(b)), including in relation to network operators who may be directed to carry out such PTIPs (cl 43(1)(c)(ii)).</p> <p>The WSB recommendation report contained a range of assessments and recommendations – the primary recommendation being that the Minister issue a direction to Transgrid as Network Operator to carry out the WSB as a PTIP under s32(1)(b) of the EII Act.</p> <p>As required by s 32(2) of the EII Act, EnergyCo's WSB Recommendation report further defined the project scope to enable the Minister's direction to specify the project's location and description, requirements for development and construction, staging and sequencing of the planning, design and construction, and the date by which the network operator is to complete the planning, design and construction stages of the project.</p>
Annual reports	Section 70	The Infrastructure Planner must, as soon as reasonably practicable after the end of each financial year, provide the Regulator with a report on the exercise of the functions under the Act during the financial year.	Y	<p>The Infrastructure Planner exercised this function in FY 2022-23.</p> <p>On 26 September 2023, the Infrastructure Planner provided a report on the exercise of its functions to IPART under the EII Act for FY 2022-23.</p>
Delegation	Section 71	The Infrastructure Planner may delegate its functions, other than the power of delegation, to any person.	N	<p>The Infrastructure Planner did not exercise this function in FY 2022-23.</p> <p>On 13 September 2022, the Minister executed a delegation instrument (September 2022 Delegation). This instrument delegated relevant consultation functions of the Minister under s32(3) and s35(1) of the EII Act in relation to the WSB project and the Hunter Transmission Project to Senior Executive Band 3 personnel within EnergyCo.</p>

Function area	Ref ^a	Function	Mandatory (Y/N)	Comments
				<p>Where a delegate exercises any of the Minister's consultation functions under the September 2022 Delegation, the delegate must provide the outcome of any such consultation to the Minister for the purpose of the Minister exercising the function to direct the Network Operator under s.32(1)(b).</p> <p>We are not aware of other delegations from the Minister to EnergyCo relevant to functions exercised during FY22/23.</p>
Contribution determination	Clause 39	The Infrastructure Planner 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.	Y	<p>The Infrastructure Planner exercised this function in FY 2022-23.</p> <p>In February 2023, the Regulator, the AER in this case, made a contribution determination under section 56(1) of the EII Act. EnergyCo provided data to the Scheme Financial Vehicle who provided that data to Regulator to verify and test. This data enables the Regulator to make the contribution determination. AER audited the data and used the data to calculate the final contribution determination.</p>
Considerations	Clause 41 (s 63)	In exercising functions under Part 5 of the Act, the Infrastructure Planner must take into account the guidelines issued by the Minister under section 4 (guidelines about consultation and negotiation with the local Aboriginal community) of the Act and the plan approved by the Minister under section 8 (Plan for NSW renewable energy sector) of the Act.	Y	<p>The Infrastructure Planner exercised this function in FY 2022-23.</p> <p>The Minister for Energy issued the First Nations Guidelines and the Central-West Orana REZ region-specific First Nations Guidelines in August 2022 under section 4 of the EII Act. The Office of Energy and Climate Change published the NSW Renewable Energy Sector Board's Plan in September 2022.</p> <p>In relation to the CWO REZ the Infrastructure Planner had considered the First Nations Guidelines and the Renewable Energy Sector Board Plan by requiring proponents tendering for the network operator role in the CWO REZ to demonstrate how they could meet or exceed the requirements in the First Nations Guidelines, region-specific First Nations Guidelines and the Renewable Energy Sector Board Plan.</p> <p>In relation to the WSB project, In October 2022 EnergyCo issued to the Minister an Infrastructure Planner Recommendation Report for the WSB project. This included recommendations to inform the Minister in setting conditions, in the direction issued to Transgrid to carry out the WSB project on First Nation Guidelines and the Renewable Energy Sector Board Plan.</p>

Function area	Ref ^a	Function	Mandatory (Y/N)	Comments
				It was agreed by EnergyCo and the Consumer Trustee that the CT would conduct a combined auction for access rights and LTESAs for CWO REZ in Quarter 4 2023. As part of the merit criteria set by the CT EnergyCo as IP will participate in the assessment of auction bids for merit criteria relevant to access rights such as project readiness and community engagement and benefits. The CT decides whether a bidder should be awarded LTESAs and makes a recommendation to EnergyCo regarding the award of access rights. EnergyCo has no role and exercises no functions with regard to LTESAs.
Functions of the Infrastructure Planner	Clause 42C(1) (s 63(4)(d))	The Infrastructure Planner may request the Consumer Trustee to conduct a competitive tender in relation to the granting or increasing of access rights— (a) under an access scheme, and (b) in accordance with the declaration for the access scheme.	N	<p>The Infrastructure Planner exercised this function in FY 2022-23.</p> <p>Under the Renewable Energy Zone (Central-West Orana) Access Scheme, EnergyCo required generation and storage projects that wish to connect to the CWO REZ network infrastructure to seek an access right through the Consumer Trustee's competitive Tender process. This was done in accordance with clause 7 of the Access Scheme Order, where the Infrastructure Planner may only grant an access right to an eligible operator under the initial allocation if the Consumer Trustee has recommended the grant of an access right.</p> <p>The Central-West Orana Access Pre-Tender Stage started in May 2023 and the expression of interest to join the Pre-Tender Stage has closed.</p> <p>In FY 2023-24, Tender Round 4 is scheduled to open in October 2023 to offer Central-West Orana REZ access rights along with Generation LTESA.</p> <p>It was agreed by EnergyCo and the Consumer Trustee that the CT would conduct a combined competitive tender for LTESAs and for the grant of access rights to the CWO Access Scheme in Quarter 4 2023.</p> <p>Clause 7 of the Access Scheme Declaration, the Infrastructure Planner may grant an access right to an eligible operator, or approve an increase in the maximum capacity of an approved project in any capacity period: (a) in the initial allocation if: (i) the Consumer Trustee has recommended the grant or increase.</p>
	Clause 42C(2) (s 63(4)(d))	The Infrastructure Planner for an access scheme must exercise: (a) the access scheme functions for the access scheme if the Infrastructure Planner is appointed to administer the access scheme, or	Y	<p>The Infrastructure Planner exercised this function in FY 2022-23.</p> <p>EnergyCo is the Infrastructure Planner for the Central-West Orana REZ Access Scheme gazetted in December 2022. It had undertaken the following tasks as part of exercising those functions for the zone:</p>

Function area	Ref ^a	Function	Mandatory (Y/N)	Comments
		(b) a particular access scheme function for the access scheme if the Infrastructure Planner is directed to exercise the function in the declaration for the access scheme. Clause 42C(3) sets out the access scheme functions for an access scheme.		<ul style="list-style-type: none"> Determining the eligibility criteria for the zone's access rights. This was done as part of Consumer Trustee's formal consultation with EnergyCo before the publishing of the Tender Rules in March 2023. Determining the terms and conditions for the granting of access rights. This was done as part of Project Development Agreement development in consultation with the market, Consumer Trustee and Scheme Financial Vehicle. Contributing to other tender collateral developed/in development such as (to be published) Tender Guidelines for Q4 2023 tender, (to be published) Access Rights Addendum for Q4 2023 tender and Access Rights Information Paper published in June 2023.
	Clause 42D (s 63(4)(d))	The Infrastructure Planner for a REZ to which an access scheme applies has the following functions: (a) to administer, manage and make payments of money held for use in relation to a community purpose or employment purpose, (b) make guidelines about the administration, management and payment of money under this clause. Subclause (1) prescribes the conditions for which the functions apply.	N	This clause came into effect on 30 June 2023. We will report on this in FY 2023-24.
Assessments and recommendations by the Infrastructure Planner	Clause 43 (ss 30 and 63(4))	The Infrastructure Planner must assess and make recommendations about the following— (a) proposed REZ network infrastructure projects, (b) priority transmission infrastructure projects in relation to which the Infrastructure Planner is appointed, (c) network operators who may be authorised or directed to carry out— (i) a REZ network infrastructure project, or (ii) a priority transmission infrastructure project (d) other persons who may assist the network operator to carry out—	Y	<p>The Infrastructure Planner exercised this function in FY 2022-23.</p> <p>The formal assessment and recommendations made by EnergyCo in its capacity as Infrastructure Planner to the Minister during FY 22/23 were as set out in EnergyCo's WSB IP Recommendation Report in October 2022. This related to the function under clause 43(1)(b), (c)(ii), d(ii) and (e) of the EII Regs.</p> <p>As the appointed infrastructure planner for the WSB Project, EnergyCo was responsible for planning and undertaking early development works for the project and making assessments and recommendations to the Minister regarding the final project scope and the proposed network operator for that project. A WSB IP Recommendation Report was prepared which sets out EnergyCo's assessment that conditions are satisfied to direct Transgrid to carry out the WSB project. The WSB IP Recommendation Report is cabinet in confidence.</p> <p>Under subclause (1)(c), EnergyCo selected ACE Energy as the first ranked proponent for role Network Operator for the CWO REZ.</p>

Function area	Ref ^a	Function	Mandatory (Y/N)	Comments
		(i) a REZ network infrastructure project, or (ii) a priority transmission infrastructure project (e) the contractual arrangements that a network operator may be required to enter into to carry out a REZ network infrastructure project or priority transmission infrastructure project under an authorisation (the recommended contractual arrangements). An assessment and recommendation made by the Infrastructure Planner in relation to a priority transmission infrastructure project must be provided to the Minister.		<p>Under subclause (1)(e), EnergyCo is working with ACE Energy to finalise and enter into a Commitment Deed confirming ACE Energy as the preferred tenderer for the CWO REZ network infrastructure project, and a Project Deed following an authorisation from the Consumer Trustee to appoint ACE Energy as the network operator for the CWO REZ network infrastructure project. The Project Deed is the overarching agreement which governs the carrying out of the project by the Network Operator and provides EnergyCo with oversight of the Network Operator's activities. The Network Operator will need to enter into various ancillary contractual arrangements to enable it to carry out the project.</p>
	Clause 44 (s 30)	The technical specifications that the Infrastructure Planner must consider for REZ infrastructure projects are prescribed in this clause.	Y	<p>The Infrastructure Planner exercised this function in FY 2022-23.</p> <p>Under subclause (a), EnergyCo had prepared technical specifications, developed by both in-house technical experts and technical advisors. These were reflected in reference designs and specifications for requests for tender for projects and were also used in the NIS published in May 2023 and project materials for public consultation for the Central-West Orana REZ Project Update published in September 2022.</p> <p>The specifications addressed matters including:</p> <ul style="list-style-type: none"> proposed routes of the network infrastructure, including substation locations connections between proposed and existing network infrastructure the operating voltages and network capacity of the network infrastructure. <p>Under subclause (b), EnergyCo ensured safety and reliability of electricity infrastructure were assessed by including requirements for safety in the request for tender for projects. It also included a Network Operator Performance Regime that sets standards and commercial incentives to ensure an appropriate level of reliability of electricity supply.</p> <p>Under subclause (c), the Network Operator is required to comply with the National Electricity Rules, which include requirements about security of electricity supply. For each REZ, EnergyCo may either (at its discretion) require the Network Operator to install system strength remediation as part of the specification for REZ Network Infrastructure or have generators connecting to the REZ to rely on the System Strength Service Provider for NSW.</p>

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				Under contractual arrangements between EnergyCo and network operators, EnergyCo can and does impose contractual obligations on relevant network operators to generally comply with law when discharging the functions of network operator, which would include compliance with the National Electricity Rules. For example, the WSB Network Operator Deed between EnergyCo and Transgrid, under which Transgrid is contractually obliged to discharge its obligations consistently with applicable Laws (which is defined to include the NER and NEL).
Competitive assessment process	Clause 45 (ss 30(5)(a) and 63(4))	The Infrastructure Planner may carry out a competitive assessment process in relation to— (a) a proposed REZ network infrastructure project, or (b) a priority transmission infrastructure project in relation to which the Infrastructure Planner is appointed. Subclauses (2)-(4) prescribes the requirements if the Infrastructure Planner carries out a competitive assessment process.	N	<p>The Infrastructure Planner exercised this function in FY 2022-23.</p> <p>EnergyCo is the Infrastructure Planner for the CWO REZ. Under subsection (a), EnergyCo selected ACE Energy as the first ranked proponent as the Network Operator for the CWO REZ network infrastructure project in April 2023 after a competitive tender process that commenced in 2022.</p> <p>The Minister appointed EnergyCo as the Infrastructure Planner for the WSB project under the Priority Transmission Infrastructure Project Direction (Waratah Super Battery Project) Order 2022 that commenced in October 2022. Under subclause (b), following a competitive procurement process conducted throughout 2022 EnergyCo recommended in the WSB IP Recommendation Report that a subsidiary of Akaysha Energy provide the System Integrity Protection Scheme (SIPS) battery services to assist Transgrid to carry out the WSB project.</p> <p>For CWO:</p> <p>In December 2021 EnergyCo commenced a registration of interest process and identified over 30 suitable Network Operator proponents who would be interested in participating in a competitive request for proposal process to identify a suitable preferred network operator to build own operate and maintain REZ network infrastructure in CWO REZ.</p> <p>In March 2022 an Expression of Interest process was undertaken to shortlist Network Operator proponents</p> <p>In May 2022 a Request for Proposal was released to 3 shortlisted Network Operator proponents: ACE Energy consortium, Network REZolution, and NewGen Networks</p> <p>Following a tender evaluation process, EnergyCo announced the first-ranked network operator proponent in April 2023</p>

Function area	Ref ^a	Function	Mandatory (Y/N)	Comments
Revenue determinations	Clause 49(1),(2) (s 38(10)(a))	The Infrastructure Planner is to be consulted by the Regulator before the Regulator makes a revenue determination. The Infrastructure Planner must give the Regulator all information about an infrastructure project that the Regulator considers necessary to make the revenue determination, including information about or obtained from a competitive assessment process.	Y	The Infrastructure Planner exercised this function in FY 2022-23. In December 2022, the Regulator, the AER in this case, published a revenue determination setting out amounts to be paid to Transgrid for the SIPS battery service component of the WSB project. EnergyCo provided AER with information about the process and outcomes of the process consistent with the requirements in AER contestable Revenue Determination Guideline.

a. In this column, references to sections are to section of the EII Act, while references to clauses are references to clauses of the EII regulations.

This document is a summary, for more information refer to the Long Form (Attachment 1) which was also submitted by the Infrastructure Planner.

