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27 October 2022

The Hon. Matt Kean, MP  
Treasurer and Minister for Energy  
52 Martin Place  
Sydney NSW 2000

via email

Dear Minister

### **Annual Report on functions under the *Electricity Infrastructure Investment Act 2020***

We attach our report on the exercise of functions by entities under the *Electricity Infrastructure Investment Act 2020* (EII Act) for the 2021-22 financial year. Under the EII Act, the Independent Pricing and Regulatory Tribunal of NSW (IPART) must submit a report to you by no later than 4 months after the end of the financial year to which the report relates. This annual report covers the financial year 2021-22 and is due to you by 31 October 2022.

The EII Act creates a framework to deliver the NSW Government's Electricity Infrastructure Roadmap (Roadmap). This first annual report reflects the early stages of the Roadmap and is a factual account of the functions exercised by the Consumer Trustee, Infrastructure Planner and Regulators (AER and IPART) under the EII Act in the financial year 2021-22. The report does not consider the exercise of functions by the Financial Trustee as this entity was not appointed within the reporting period.

Given the Roadmap's infancy, the functions exercised by the appointed entities in the first reporting period were primarily undertaken to prepare for the Roadmap's delivery and to establish the foundations of the Roadmap. For the 2021-22 financial year, we reported the following key milestones:

- The Infrastructure Planner commenced investigation and planning for all 5 Renewable Energy Zones (REZs), as well as coordination works for the Central-West Orana REZ. The Consumer Trustee provided advice and a list of key issues regarding the Central-West Orana REZ to the Infrastructure Planner.
- The Consumer Trustee prepared the first Infrastructure Investment Objectives (IIO) Report. The IIO Report is a key input to decision making for the Consumer Trustee.
- The Consumer Trustee prepared tender rules for long-term energy service agreements and the AER reviewed and provided feedback to the Consumer Trustee. Long-term energy service agreements are a key component of the Electricity Infrastructure Investment Safeguard.
- The AER drafted revenue determination guidelines for contestable network projects and contribution determination guidelines. These are key to the framework for cost recovery associated with the Roadmap.

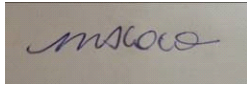
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IPART's contact officer for this matter is Jean-Marc Kutschukian, Director Regulation and Compliance, contactable on (02) 9290 8453.

Yours sincerely

27/10/2022

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Michelle Coco  
A/Chief Executive Officer  
Signed by: Michelle Coco