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Monday, 5 February 2024

Mr James Hay  
Chief Executive, Energy Corporation of NSW  
Lodged via email: [roadmap.communications@dpie.nsw.gov.au](mailto:roadmap.communications@dpie.nsw.gov.au)

Dear James,

### **Draft South West REZ Access Scheme Declaration**

Transgrid welcomes the opportunity to respond to the refined *Draft South West REZ Access Scheme Declaration* and supporting *Supplementary Position Paper* published by the NSW Government on 21 December 2023.

Transgrid operates and manages the high voltage electricity transmission network in NSW and the ACT, connecting generators, distributors and major end users. We have an important role in managing one of the key parts of Australia's National Electricity Market (NEM) as it transitions to increasing levels of renewable generation. We remain committed to playing our part in delivering the major transmission investments in the South West (SW) REZ that will provide significant benefits to consumers.

Transgrid considers that the proposed access scheme has the potential to deliver benefits to host communities, energy consumers and investors when compared to current open access arrangements. We look forward to supporting the NSW Government's objectives as the SW REZ Network Operator to assist with the efficient coordination of network and generation investments.

We support the refinements the NSW Government has made in acknowledgement of Transgrid's initial feedback to the draft access scheme including to increase the amount of generation that can connect in the SW REZ given the significant amount of renewable generation development interest.

We also support other changes made to the refined draft access scheme including:

- Reducing the access scheme term by five years, to 15 years, given this minimises potential adverse impacts to consumers of any access scheme limits being set inefficiently.
- Revising the initial term of the access scheme to conclude 15 years after the date of electrification of Dinawan substation, reflecting the period for which SW REZ generators benefit from the access rights.
- Inclusion of a target network element curtailment level for network elements from Buronga substation up to but excluding the Dinawan substation. We encourage EnergyCo to ensure this is included in a manner that does not limit future upgrades to these network elements.

- Simplified access right offering that does not include system strength or additional changes to the existing connection process as the network is already being delivered by Transgrid.

We make the following additional recommendations:

- Recommend further upgrades to the SW REZ network being considered for progression through the NSW framework to increase the access right value proposition. In addition, we would support a clear and transparent process to identify efficient upgrades and shared connection infrastructure opportunities once access rights are awarded to successful projects.
- Support greater cohesion between NSW's REZ planning frameworks and the existing National Electricity Rules (NER) planning frameworks. This could include inclusion of REZ Access Scheme limits, such as a targeted curtailment levels and maximum capacity caps, and associated EnergyCo data (such as the average wind generation trace developed for the SW REZ) as inputs to other planning processes such as AEMO's Integrated System Plan. This would also assist in progressing future projects that may create significant value to the SW REZ including the Sydney Southern Ring project.
- Encourage further collaboration between EnergyCo and Transgrid to consider any issues with the proposed approach for system strength in the SW REZ. We consider that failing to properly consider system strength for the REZ may materially degrade the access right value proposition. In particular, there would be value in exploring flow on impacts from the mismatch between:
  - AEMO's Inverter Based Resource (IBR) forecast of 2,170MW of solar generation built in the SW REZ by 2030 (with no further build out expected in this forecast). Transgrid is required to use this forecast as an input in planning for system strength solutions as the NSW System Strength Service Provider under the NER.
  - EnergyCo's proposed access scheme limits of 3.98GW of wind and solar, that could be reached by 2030 based on the level of current connection interest.

### Next steps

We will continue to work collaboratively with the NSW Government and EnergyCo NSW on the development of the SW REZ Access Scheme. If you require any further information or clarification on this submission, please feel free to contact me or Sam Martin at [sam.martin@transgrid.com.au](mailto:sam.martin@transgrid.com.au).

Yours faithfully

A handwritten signature in blue ink, appearing to read "Marie Jordan".

Marie Jordan  
Executive General Manager  
Network