

NSW Electricity Infrastructure Roadmap



Indicative Stakeholder Consultation Timeline (February 2021)

The NSW Government has released this indicative timeline to inform stakeholders about upcoming consultation for the Electricity Infrastructure Roadmap. We place a high priority on public consultation and look forward to working closely with all our stakeholders on this important work.

Consultation workstreams

In November 2020, the NSW Government unveiled the Electricity Infrastructure Roadmap, a framework to modernise the NSW electricity system into one that is more reliable, affordable and clean. The Roadmap will also transform our regions by attracting up to \$32 billion of private investment and 9,000 jobs.

The Roadmap is about getting the settings right for consumers and investors. In the first half of 2021, the Department of Planning, Industry and Environment (the Department) will continue to consult with experts and stakeholders, such as industry, regional communities and local Aboriginal groups, on the implementation of this policy.

To help all our stakeholders understand when some of the consultations are expected to occur, the Roadmap has been categorised into consultation workstreams.

Energy Corporation of NSW

The Energy Corporation of NSW has been re-enlivened to coordinate the delivery of generation, storage and transmission in Renewable Energy Zones (REZ). In doing so, it will ensure that development meets community expectations and delivers the best outcomes for regional communities. This will be achieved through strategic planning, best practice engagement and working closely with industry and local communities to build the energy infrastructure we need in the right places. Recruitment is already underway for three new executive roles to lead the technical, commercial and planning workstreams.

Central-West Orana Renewable Energy Zone

Consultation is already underway on the design for the first REZ in the Central-West Orana region. On-the-ground consultation, led by the Energy Corporation of NSW, will continue throughout the first half of 2021. In February, the Energy Corporation of NSW will host its second Regional Reference Group meeting along with deliberative forums with local communities. TransGrid, as the State's transmission planner, will also host community information sessions across the Central-West Orana region.

The NSW Government will establish a working group in quarter one, 2021 to oversee the development of best practice guidelines for consultation and negotiation with Aboriginal communities. These guidelines will apply to REZ network infrastructure (such as transmission) projects as well as energy projects that are awarded Long Term Energy Service Agreements (LTESAs).

A consultation paper on access scheme models for the Central-West Orana REZ is expected to be released for public feedback in quarter one, 2021.

NSW Electricity Infrastructure Roadmap



Indicative Stakeholder Consultation Timeline (February 2021)

New England Renewable Energy Zone

Planning for the New England REZ is already underway. An industry Registration of Interest process seeking project information from potential proponents in the region is expected to open by the end of quarter one, 2021. The Energy Corporation of NSW will also continue to undertake feasibility and planning work throughout the year on the South West, Hunter-Central Coast and Illawarra REZs.

To find the most up-to-date information on the REZs, please visit the [REZ webpage](#). You can also enter your contact information on this page to subscribe to the email updates

Pumped Hydro Recoverable Grants Program

Program design for the Pumped Hydro Recoverable Grants Program will leverage the existing processes and governance arrangements from the NSW Emerging Energy Program. The competitive grants will be delivered as a one stage application process that will closely follow the Emerging Energy Program Pre-investment Study stream which is already supporting early stage works of four pumped hydro projects. For further details, please visit the [Emerging Energy Program webpage](#).

The NSW Government will consult with legal, commercial and technical experts on various elements of the program, including the terms of the grant recoverability mechanism. Applicants will have the opportunity to comment on the recoverability mechanism through the application process, including the Funding Agreement template which will be part of the submission pack.

The Pumped Hydro Recoverable Grants Program will be launched in quarter one, 2021, and the Program Guidelines, which will clearly outline eligibility requirements and project merit criteria, are currently being developed. These guidelines will be released shortly before applications open in early quarter two, 2021.

To receive further updates on the Pumped Hydro Recoverable Grants Program, please email pumped.hydro@dpi.nsw.gov.au to register your interest.

Electricity Infrastructure Investment Safeguard

The NSW Minister for Energy and Environment will appoint an independent Consumer Trustee to run competitive tenders to award LTESAs, part of the Electricity Infrastructure Investment Safeguard (Investment Safeguard). Until the Consumer Trustee is appointed, the Secretary of the Department will assume its duties to ensure the efficient and timely implementation of the Investment Safeguard. The Department will consult on matters which the Consumer Trustee will determine once appointed and continue to support the Consumer Trustee during a handover of duties following the formal appointment.

A full set of LTESA terms and conditions and tender rules (including eligibility criteria) will be made and published by the Consumer Trustee. The Department intends to commence consultation on aspects of tender design, including eligibility criteria and other considerations, in quarter two, 2021.

NSW Electricity Infrastructure Roadmap



Indicative Stakeholder Consultation Timeline (February 2021)

The LTESA structure and terms and conditions will be determined in parallel with the making of the tender rules (including eligibility criteria). The Department intends to consult stakeholders on the structure of the LTESAs, including the form of financial derivative, from late in quarter one, 2021.

The first-generation infrastructure tender round is expected to commence from late 2021 to early 2022. Further work is underway on the timing for the first LTESA tenders for long duration storage and firming infrastructure, and information will be released when determined by the Consumer Trustee.

Electricity Infrastructure Investment Regulations

The *Electricity Infrastructure Investment Act 2020* (NSW) (EII Act) received assent on 2 December 2020 and most provisions in the Act have now commenced. The EII Act allows for over 80 regulations to be made. A small number of these regulations are urgent as they are required for the Act to function, while the majority are optional or less urgent. The NSW Government intends to develop them in three tranches in 2021.

Tranche one regulations will focus on regulations related to the Renewable Energy Sector Board. The Government intends to finalise these regulations in quarter one, 2021.

Tranche two regulations relate to matters under the EII Act that are urgent or mechanical, such as defining terms and establishing the penalty infringement notice regime relating to the Energy Security Target. The NSW Government expects to publish and consult on a tranche two regulations issues paper in quarter one, 2021 before finalising them mid-year.

Tranche three regulations relate to matters that require further policy development and stakeholder consultation, such as the Central-West Orana REZ Access Scheme, revenue determinations, LTES agreements, reporting requirements and interactions with national energy frameworks. The NSW Government intends to publish two issues papers on tranche three regulations, one relating to the Central West Orana REZ Access Scheme and another relating to all other tranche three regulations. Consultation for tranche three regulations will begin in late quarter one, 2021. These regulations are expected to be finalised by October 2021.

More detailed information will be provided to stakeholders in quarter one, 2021 about how the Department intends to develop regulations to support the EII Act.

Other departmental communication processes

A range of entities, boards, committees and persons will be appointed or established, including the Energy Security Target Monitor, Consumer Trustee, Financial Trustee, Infrastructure Planner, Renewable Energy Sector Board and Electricity Infrastructure Jobs Advocate. This section provides more detail on the communication processes the Department, including the Energy Corporation of NSW, or the entities will establish alongside the above workstreams in due course.

NSW Electricity Infrastructure Roadmap



Indicative Stakeholder Consultation Timeline (February 2021)

Renewable Energy Sector Board and Electricity Infrastructure Jobs Advocate

The Minister is establishing a Renewable Energy Sector Board to create and monitor a plan for the manufacturing and construction of infrastructure in the renewable energy sector. The Board will be established and provide its first report on its activities to the Minister in March 2021. The Electricity Infrastructure Jobs Advocate is expected to be appointed as soon as practicable. More information on this process will be released when available.

National Energy Reforms

The NSW Government consulted closely with the national market bodies while designing the Roadmap to ensure it is complementary to national reforms, and it will continue to do so during this implementation phase. In particular, the NSW Government will continue to work with the Energy Security Board (ESB), the Commonwealth and other jurisdictions on the design framework of the post 2025 electricity market design.

The ESB is expected to consult throughout quarter one, 2021 before making its final recommendations to the Energy National Cabinet Reform Committee in mid-2021. To learn more about the post-2025 reform, please visit the Energy Security Board's [Post 2025 electricity market design microsite](#).

Stay up to date on the Roadmap

The NSW Government strongly values stakeholder and community feedback. The Department will continue to work in partnership with industry, regional communities and other key stakeholders, alongside wider public consultation opportunities, to implement the Roadmap over the coming months.

For the latest updates, or to join the Roadmap's mailing list, please visit the [Electricity Infrastructure Roadmap webpage](#).

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Indicative Roadmap Consultation Opportunities (2021)

