

Office of Energy and Climate Change

NSW Renewable Energy Sector Board

Fourth report on activities of the Board

June 2023



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.

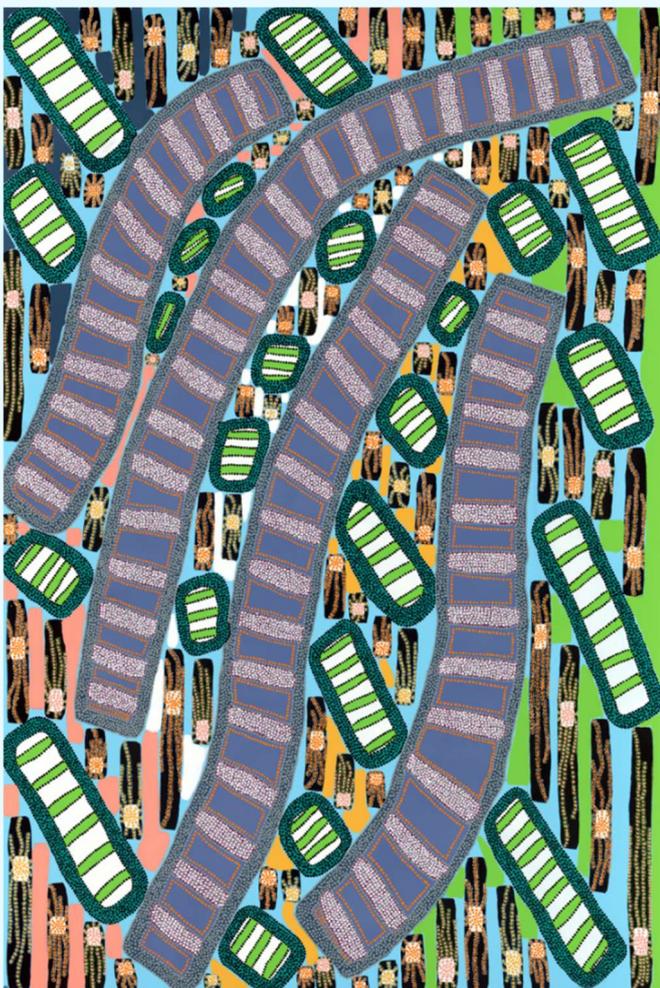
We celebrate the deep and enduring connection of Aboriginal and Torres Strait Islander peoples to Country and acknowledge their continuing custodianship of the land, seas and sky.

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



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1 Introduction

1.1 About the Board

The NSW Electricity Infrastructure Roadmap (the Roadmap) is the NSW Government’s plan to transform our electricity sector to be cheap, clean and reliable. To manage the energy transition well, we need to maximise the opportunities and minimise the adverse impacts for regions, communities, and workers.

The NSW Renewable Energy Sector Board (the Board) was established in February 2021 under section 7 of the *Electricity Infrastructure Investment Act 2020* (the Act). The NSW Renewable Energy Sector Board (the Board) helps make sure local workers, communities, and industries reap the economic benefits of the transition to cheaper, cleaner and reliable energy.

The Minister appoints representatives to the Board from the following groups:

- trade unions
- the steel, electricity manufacturing and construction sectors
- the renewable energy industry
- electricity customers
- the Energy Corporation of NSW (EnergyCo).

Through its plan, the Board helps make sure local workers, communities, and industries reap the economic benefits of the transition to affordable and reliable energy.

The Board also advises the Minister and Roadmap delivery entities on how to support the growth and competitiveness of the NSW renewable energy sector and jobs for NSW workers.

1.2 Legislative requirements

The *Electricity Infrastructure Investment Act 2020* (NSW) (the Act) requires the Minister for Energy (the Minister) to establish a board for the NSW renewable energy sector.

The Act requires the Board to prepare a plan for the NSW renewable energy sector, specifically about the operation of the sector and the manufacture and construction of infrastructure in the sector. The Board’s plan was published on the [NSW Energy and Climate Action website on 6 September 2022](#).

The Act also requires the Board to monitor and review its plan and make recommendations to the Minister about implementation of the plan.

This document is the Board’s fourth report on its activities, which the Board is required to provide to the Minister by 30 June 2023.

2 Publication of the Board's plan

The Board provided its plan to the former Minister on 7 May 2022. Following a recommendation from the Regulator, the Independent Pricing and Regulatory Tribunal (IPART), the former Minister approved the plan and the plan was published in September 2022.

The plan outlines the Board's recommendations on minimum requirements and stretch goals for local content for generation, storage and network projects under the Roadmap.

The Board's plan also advises the NSW Government on additional actions to drive sustainable growth and competitiveness of local industries and realise benefits for local workers and communities.

The NSW Government's response supports, or supports in principle, all 15 of the Board's recommendations to the government.

The benefits of implementing the Board's plan for NSW include:

- \$520 million of net economic benefits from the minimum requirements for local content
- \$1.3 billion of net economic benefits from the stretch goals
- 13,400 job years created between 2020–2041 from the minimum requirements for local content.

To inform the development of the Board's plan, the Office of Energy and Climate Change (OECC) commissioned the following studies on behalf of the Board:

- [ACIL Allen, Consumer costs and economic benefits for Renewable Energy Sector Board's Plan](#)
- [MBB Group, Supply Chain Analysis Report: NSW Electricity Infrastructure](#)
- [MBB Group, WHS Baseline and Opportunities Study: Renewable Energy Sector](#)
- [ISF and SGS Economics and Planning, Employment, Skills and Supply Chains: Renewable Energy in NSW – Final Report](#)
- [ISF and SGS Economics and Planning, Employment, Skills and Supply Chains: Renewable Energy in NSW – Appendices](#)

3 Effect of the Board's plan

AEMO Services Limited (AEMO Services), a subsidiary the Australian Energy Market Operator (AEMO), has been appointed as the NSW Consumer Trustee. The Renewable Energy Sector Board's plan and First Nations Guidelines informed the Consumer Trustee's development of the social licence eligibility and merit criteria in its tenders.

The Minister and the Consumer Trustee must take the Board's plan into account when exercising functions under the Act. The Consumer Trustee is required to act independently and in the long-term financial interests of NSW electricity customers to improve the affordability, reliability, security and sustainability of electricity supply. The Consumer Trustee's functions include:

- running the competitive tenders for generation, storage and firming infrastructure projects
- preparing an Infrastructure Investment Objectives report every two years
- authorising renewable energy zone (REZ) network infrastructure projects.

The Consumer Trustee may impose a condition that is consistent with the plan when:

- recommending the Minister give a direction for a REZ network infrastructure project
- authorising a network operator to carry out a REZ network infrastructure project.

The Minister may impose a condition that is consistent with the plan in:

- a direction for a REZ network infrastructure project
- an authorisation for a priority transmission infrastructure project.

The Board also directed its recommendations to EnergyCo as the infrastructure planner for the five REZs required to be declared under the Act.

3.1 Tenders for generation, long-duration storage and firming

The Board's recommendations were considered throughout the tender process including:

- eligibility criteria
- merit assessment
- due diligence
- contractual commitments.

3.1.1 AEMO Services' first tender

AEMO Services' first tender was for generation and long-duration storage.

The successful projects from the first tender are expected to provide more than \$57 million for First Nations participation and support more than 3,300 jobs over 10 years.

3.1.2 AEMO Services' second tender

AEMO Services second tender is for firming infrastructure and is expected to seek the equivalent of at least 380 megawatts of firming infrastructure. The Project Bid Stage closed on 21 May 2023.

3.1.3 AEMO Services' third tender

AEMO Services third tender is for generation and long-duration storage. The tender is seeking an indicative amount of 2500 gigawatt hours (around 950 megawatts of generation and 550 megawatts of long-duration storage). However, AEMO Services can award more or less if it is in the long-term financial interest of NSW consumers. The Project Bid Stage closed on 25 June 2023.

3.2 Central-West Orana REZ network operator tender

EnergyCo adopted the Board's local content requirements in the competitive process to select a network operator for the Central-West Orana Renewable Energy Zone (CWO REZ).

EnergyCo has selected ACE Energy as the first ranked proponent as network operator for the CWO REZ.

ACE Energy is sponsored by Acciona, Cobra and Endeavour Energy. EnergyCo will now work closely with ACE Energy to finalise and enter into a commitment deed in Q3 2023 at which time they will be confirmed as the preferred CWO REZ network operator. Until that time, EnergyCo reserves the right to recommence discussions with the second ranked proponent if appropriate to do so.

As part of the network operator tender, proponents prepared a draft Industry and Aboriginal Participation Plan (IAPP), outlining how they will meet all legislative requirements and the requirements set out in the Board's plan and First Nations Guidelines.

Details on their commitments and the mechanisms to deliver on these commitments are being further developed and will be provided after the commitment deed is finalised. If successful, ACE Energy will consult with community and stakeholders on their IAPP to further develop the plan before a summary is released to the public in 2024.

3.3 Waratah Super Battery project update

The Board's plan was considered during the procurement of System Integrity Protection Scheme (SIPS) services to support the Waratah Super Battery project. The SIPS is designed to monitor transmission lines and enable the battery to act as a shock absorber in the event of any sudden fault on the transmission system.

In 2022, EnergyCo requested that tenderers take into consideration the Board's plan and First Nations Guideline. Tenderers were asked to submit an IAPP returnable schedule considering the requirements of these documents.

On 14 October 2022, Transgrid was directed as network operator to carry out the Waratah Super Battery project, which included specific requirements regarding the Board's plan:

- prepare and implement an Australian Industry Participation Plan (AIPP) with supplementary details addressing any relevant matters from the Board's plan and First Nations Guidelines not covered by the AIPP
- report to EnergyCo on Transgrid's progress against these commitments.

Following the completion of the competitive procurement process, EnergyCo appointed Akaysha Energy as the successful SIPS Service Provider. Akaysha Energy will work closely with Transgrid as network operator to deliver the service, while complying with the ministerial requirements regarding the Board's plan.

4 Changes in Board membership

4.1 Appointments and resignations

On 31 October 2022, the former Minister appointed Dr Anita Talberg from the Clean Energy Council (CEC) to the Board as the member representing persons involved in the planning, design, construction and operation of generation infrastructure, following the resignation of Ms Anna Freeman from the CEC.

Between 1 July 2022 and 25 March 2023 the following Board members resigned from their positions on the Board:

- Ms Lynne Gallagher from Energy Consumers Australia (ECA), nominated by ECA to represent electricity customers on 12 October 2022
- Ms Stacey Sleeman from Tomago Aluminium, nominated by the Australian Aluminium Council (AAC) to represent manufacturers of steel, aluminium and other similar materials, effective from 31 January
- Mr Matt Robertson from BlueScope, nominated by the Business Council of Australia (BCA) to represent employers in the electricity, manufacturing and construction sectors. Mr Robertson advised of his intent to resign from the Board effective on the appointment of his successor on 27 February 2023.

Mr James Hay, the member representing EnergyCo, resigned on 23 December 2022, and Mr Mike Young, Executive Director, Planning and Communities, was nominated as the new EnergyCo member. Mr Young started on the Board on 23 December 2022.

Since 25 March 2023, the following Board members have submitted their resignation:

- Mr Brian Salter will resign from his position on the Board as a nominee of Energy Networks Australia under the category of 'other persons appointed by the Minister', effective on the appointment of his successor
- Mr Grahame Kelly will resign from his position on the Board as a representative of the Construction, Forestry, Maritime, Mining and Energy Union (Mining and Energy Division), effective on the appointment of his successor
- Mr Daniel Walton will resign from his position on the Board as co-chair as a representative of the Australian Worker's Union, effective from 14 July 2023.

The Minister will invite diverse nominations to fill these positions. A panel will assess the nominations and make a recommendation for the Minister's consideration.

4.2 About the new members

Dr Anita Talberg, Director – Workforce Development, Clean Energy Council



Ms Anita is the CEC’s Director of Workforce Development. In this role she leads the development and implementation of the CEC’s strategy on clean energy workforce issues, this includes matching education and training to meet industry needs and supporting a diverse and inclusive workforce.

She joined the CEC from the University of Melbourne where she ran the Climate and Energy College and lectured in climate policy. She was also the Science Coordinator for the Australian-German Energy Transition Hub.

She was previously the senior researcher on climate and energy in the research branch of the Commonwealth Parliamentary Library. She has a PhD in climate governance, a Masters of climate change and an Engineering Degree.

Mr Mike Young, Executive Director, Planning and Communities, EnergyCo



Mr Young is Executive Director, Planning and Communities. He is responsible for:

- whole-of-REZ strategic planning and policy frameworks
- planning approvals for network solutions
- regional and community engagement
- community benefit sharing
- land and property management.

Mr Young has extensive experience in the environmental field and is a leader in NSW energy and resource planning and assessments. He has extensive experience working on major energy infrastructure projects across NSW. He also has deep knowledge of the mining sector, enabling EnergyCo to maximise economic and community opportunities from the energy transformation.

5 Outcomes of Board meetings

The Board held 5 meetings from 1 July 2022 to 30 June 2023. See Table 1 in the Appendix for a register of attendance.

5.1 Twelfth meeting

The Board held its twelfth meeting on 16 August 2022.

The Board discussed its priorities from the Sector Board strategy day and developing a work plan to address these priorities.

The Office of the NSW Chief Scientist & Engineer presented on challenges and opportunities for meeting emissions targets and adapting to climate change while generating economic growth in NSW.

OECC also provided an update on the Board's plan approval process.

5.2 Thirteenth meeting

The Board held its thirteenth meeting on 24 November 2022.

EnergyCo, AEMO Services and the Electricity Infrastructure Jobs Advocate (the Jobs Advocate), Dr Mark Apthorpe, presented updates.

The OECC also updated the Board on the NSW Government's Renewable Manufacturing Fund, which will help to boost locally manufactured components for the renewable energy sector and electric vehicles.

During the meeting, the Board agreed to conduct an early review of its plan. The Board also requested OECC prepare:

- a draft Request for Quotation (RFQ) including a review of the minimum requirements and development of a 'ratchet mechanism' setting out how the minimum requirements can increase over time
 - a high-level scope for the integrated engagement strategy.
-

5.3 Fourteenth meeting

The Board held its fourteenth meeting on 14 February 2023 and 15 February 2023 in Dubbo in the CWO REZ.

During the meeting, the Board agreed to:

- its work plan and forward agenda
- the scope for the review of the operation of the Board.

The Board also received updates and provided feedback on the following consultancy projects:

- integrated engagement strategy from The Shape Agency
- development of a ratchet mechanism from PricewaterhouseCoopers (PwC).

AEMO Services updated the Board on the local content outcomes from the inaugural generation and long-duration storage tender. EnergyCo provided an update on the local content outcomes of the CWO REZ network tender and the Waratah Super Battery project's procurement process.

The Board also discussed opportunities for collaboration with the Department of Regional NSW and the Jobs Advocate.

5.4 Fifteenth meeting

The Board held its fifteenth meeting on 3 April 2023.

During the meeting, the Board received updates and provided feedback on the following consultancy projects:

- development of a ratchet mechanism from PwC
- articulation and quantification of the strategic benefits of local content from Accenture.

The Board also noted the outcome of the 2023 NSW State election.

5.5 Sixteenth meeting

The Board held its sixteenth meeting on 17 May 2023.

The Board met with representatives of the Minister's office to discuss the Board's work and the Minister's priorities for the renewable energy sector.

During the meeting, the Board endorsed the integrated engagement strategy prepared by The Shape Agency and the draft outline for the Board's next deliverable, with amendments.

The Board also discussed and provided feedback on updates from the following stakeholders:

- the Jobs Advocate: compliance with Board's minimum requirements and the first meeting of CWO REZ Skills and Workforce Working Group
- AEMO Services: lessons learned from the inaugural tender
- Accenture: draft report on the articulation and quantification of the strategic benefits of local content.

6 Advice to inform the Board's work

At the request of the Board, OECC engaged consultancies to undertake the following projects to help inform the work of the Board.

6.1 Strategic benefits of localising renewable energy supply chains in NSW

On behalf of the Board, OECC engaged Accenture to deliver a project with the key objective to define, substantiate and quantify the broader strategic benefits to NSW from enhanced local supply chain capacity in the renewable energy sector. The Board intends to use the outcomes of this project to inform its future work.

The project includes:

- a review of Australian and international evidence on the strategic benefits of localising supply chains in renewable energy and other sectors
- articulation and quantification of the strategic benefits to NSW of increased use of local supply chains in the renewable energy sector
- key focus areas for improving resilience within the NSW renewable energy supply chain.

In developing this project, Accenture has consulted with the renewable energy industry and supply chain, government agencies and Roadmap entities, and other stakeholders including consumer advocates and union representatives.

Accenture started the project on 2 March 2023 and is expected to complete the project in July 2023.

6.2 Ratchet mechanism to increase local content requirements over time

On behalf of the Board, OECC engaged PricewaterhouseCoopers Australia (PwC Australia) to support the Board to develop a 'ratchet mechanism' to increase the recommended minimum requirements in the Board's plan over time. The project is intended to set out how the minimum requirements can increase over time, and signal to the market the opportunities presented by the Roadmap and support for increasing local supply chain capacity.

PwC Australia has consulted 34 stakeholders through roundtables and smaller consultations to understand industry views on the issue. These stakeholders included:

- renewable energy developers
- original equipment manufacturers and suppliers
- unions
- peak bodies
- Roadmap entities and NSW Government agencies.

If the Board decides to revise its plan, the Minister and IPART will need to review and approve the updated plan.

PwC Australia started the project on 9 February 2023 and is expected to complete the project in July 2023.

6.3 Raising awareness and confidence in the Board's plan

On behalf of the Board, OECC engaged strategy and communications group, The Shape Agency to develop an integrated engagement strategy to increase awareness and confidence in the Board's plan amongst crucial public and industry stakeholders. The strategy will support the Board's communication with external stakeholders, which the Board has identified as a key priority.

To develop the integrated engagement strategy, The Shape Agency consulted Board members and other stakeholders, defined objectives and stakeholder engagement groups, refreshed the Board's narrative, and developed a set of engagement activities.

The integrated engagement strategy's objectives include:

- increase awareness, confidence and trust in the Board's vision and plan across the renewable energy sector. Key stakeholders include government entities and partners, workers, local manufacturers, engineering, procurement and construction firms, renewable energy developers and financiers, and relevant communities
- support the plan's implementation by convening key actors, including local manufacturers, workers, and renewable energy developers, to fill information gaps and foster new partnerships
- ensure regular, responsive feedback and engagement
- align engagement efforts with other Roadmap delivery entities, ensuring they are complementary and coordinated.

Shape started the project on 22 December 2022 and completed it on 9 June 2023.

7 Ongoing consultation with Roadmap entities and NSW Government agencies

The Board co-chairs, Mr Craig Memery and Mr Daniel Walton, met with representatives from AEMO Services monthly from 1 July 2022 to 30 June 2023. These meetings provided an avenue for dialogue between the Board and AEMO Services during the implementation of the Board's recommendations into tenders for generation, long-duration storage and firming infrastructure LTESAs.

On 6 July 2022 and 13 October 2022, AEMO Services held in-depth sessions for all Board members on how AEMO Services was incorporating the Board's plan in the guidelines for its inaugural tender.

The Board also engages regularly with the Jobs Advocate, including a standing item at Board meetings where Dr Apthorpe provides an update on his activities and stakeholder engagement for discussion with the Board.

Mr Walton serves as a member of the Employment Purpose Advisory Committee (EPAC) in his capacity as co-chair of the Board. EPAC advises the Minister on long-term plans for diversifying the economy and supporting employees and local communities affected by the transition to renewable energy. EPAC also advises AEMO Services, as the Consumer Trustee, on the component of the REZ access scheme fees to be used for an employment purpose under the Act.

OECC consults with NSW Government agencies on behalf of the Board to foster a coordinated approach to implementing the Board's recommendations and communicating the Board's vision and plan. This includes regular consultation with EnergyCo, Investment NSW, and the Department of Regional NSW.

Appendix: register of attendance at Board meetings

Table 1: Register of attendance at Renewable Energy Sector Board meetings from 1 July 2022 – 30 June 2023.

Board member	Meeting #12 16 August 2022	Meeting #13 24 November 2022	Meeting #14 14-15 February 2023	Meeting #15 3 April 2023	Meeting #16 17 May 2023
Craig Memery (co-chair) Public Interest Advocacy Centre					
Daniel Walton (co-chair) Australian Worker's Union					
John Coyle Varley Group					
Mark Cain Australian Steel Institute					
Cory Wright Australian Manufacturing Workers' Union					
Trevor Gauld , Electrical Trades Union					
James Hay Energy Corporation of NSW (until 23/12/22) Mike Young Energy Corporation of NSW (from 23/12/22)		Mike Young attended as an alternate			Tom Watt attended as an alternate
Anna Freeman Clean Energy Council (until 30/10/23) Anita Talberg Clean Energy Council (from 31/10/23)	Anita Talberg attended as an alternate				
Grahame Kelly CFMEU (Mining and Energy Division)					Alison Goodwin attended as an alternate
Matt Robertson BlueScope			Bridgette Carter attended as an alternate (14/02/23 only)	Bridgette Carter attended as an alternate	Bridgette Carter attended as an alternate
Brian Salter Transgrid					

Rod Stowe former NSW Fair Trading Commissioner					
Lynne Gallagher Energy Consumers Australia (resigned from Board on 12/10/ 22)					
Stacey Sleeman Tomago Aluminium (resigned from the Board on 31/01/23)					

Blue shading indicates that the Board member attended the meeting. Where an alternate attended the meeting for the Board member, this is indicated in the table.

No shading indicates that the Board member did not attend. Grey shading indicates that a Board member had resigned from the Board, so was not eligible to attend the meeting.

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