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NSW Transmission Planning Review

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### **AEMC submission to the NSW Transmission Planning Review – Interim report**

The Australian Energy Market Commission (AEMC or Commission) welcomes the opportunity to provide a submission to the NSW government's interim report into the review of transmission planning.

As the national rule maker and adviser for Australia's energy markets, the AEMC supports the need to drive improvement in the planning of transmission infrastructure to facilitate the energy transition, including the rapid introduction of renewable energy zones.

We support recommendations to improve coordination, clarity, timeliness and engagement of transmission planning. The Commission would like to highlight the value of maintaining the national framework to the maximum extent possible. This will provide consistency and certainty to industry and broader stakeholders and reduce duplication and the potential for unclear roles and responsibilities.

The purpose of our submission is to:

1. Note our general support for the draft recommendations' intent and highlight specific recommendations that we strongly support. These will drive improved planning of the electricity network at the lowest cost for consumers.
2. Share programs planned or underway at the AEMC that align with work packages within the scope of the NSW Transmission Planning Review.
3. Seek the best outcomes for customers through ongoing engagement between the AEMC and the NSW government on this important work.

**The AEMC has identified several draft recommendations that we consider will provide important clarity and will provide benefits to energy stakeholders and electricity consumers:**

- Draft recommendation A7—Clarifying which projects should be planned and approved through the NSW framework and the national electricity rules (NER). This draft recommendation will reduce the risk of duplication and provide clarity for stakeholders. We support the national framework being the default framework for the progression of transmission projects to provide consistency for stakeholders.

- Draft recommendations B2 and B4—We support these draft recommendations to improve integration and coordination across the various planning documents, enabling better information at the right times for decision making. This will also reduce duplication and ensure that key information is consistent across plans. We note and welcome the proposed engagement with the AEMC on potential improvements to the integrated system plan (ISP), transmission annual planning reports (TAPRs) and distribution annual planning reports (DAPRs) to ensure an alignment in timing and content to ensure effective and efficient decision making.
- Draft recommendation A3 -We support this draft recommendation to clarify accountabilities and responsibilities for system strength. We encourage consistency with the national approach to ensure system strength is appropriately managed across the national electricity market.

### **Several programs underway or planned by the AEMC align with the draft recommendations proposed within the interim report**

The AEMC has a broad portfolio of work underway and in planning that is closely aligned with the proposed reforms outlined in the interim report. Further to our earlier engagement with the review team on program alignment, the AEMC would like to highlight work programs relevant to the NSW Transmission Planning Review team.

- Treatment of jurisdictional policies in the ISP—The Centre for Independent Studies has submitted a rule change request regarding the optimal treatment of jurisdictional policies in the ISP's scenario planning and the range of costs and benefits that the ISP should consider.
- Economic assessment process—In our Stage 3 report in the Transmission Investment Planning Review, we noted that we considered there were further opportunities to improve the economic assessment process. This could align with some of the interim report's recommendations around streamlining processes, planning report coordination and joint planning provisions.
- ISP review—The AEMC is required to undertake a review of the ISP by June 2027. This review will consider a wide range of topics and would be a logical place to consider the recommendations from the interim report regarding the AEMC and the Australian Energy Market Operator (AEMO), improvements to the ISP and supporting planning documents.
- Integrated distribution system planning - The AEMC has published a consultation paper in response to a rule change request from Energy Consumers Australia. The request proposes changes to the distribution planning process to improve its information, comprehensiveness, and proactiveness.
- System security—The AEMC and AEMO are considering issues associated with procuring system security services, including system strength, to help ensure the procurement and approvals frameworks deliver a secure system in the long-term interests of consumers.

The AEMC provides a comprehensive work plan on its website under "our work for 2025/26." This plan aims to enable stakeholders to better understand and plan for engagement with the AEMC.

**The AEMC seeks further engagement with the review team to consider the proposed changes and how these might progress**

The AEMC is committed to supporting the energy transition and continue working with the NSW review team on the proposed recommendations and providing support for implementation as it relates to NER changes or to key programs of work underway.

We thank you for the opportunity to contribute to this important review and look forward to continuing to collaborate with the review team. Our key contact for this work is Alisa Toomey, Director Networks and Technical ([alisa.toomey@aemc.gov.au](mailto:alisa.toomey@aemc.gov.au)).

Yours sincerely

A handwritten signature in black ink, appearing to read 'Anna Collyer', written in a cursive style.

Anna Collyer

Chair

Australian Energy Market Commission