

25 July 2025

Mr Richard Owens
Review Lead
NSW Transmission Planning Review Team

Via email: transmissionplanningreview@dcceew.nsw.gov.au

Dear Mr Owens,

Response to NSW Transmission Planning Review Interim Report

AusNet welcomes the opportunity to make this submission in response to the NSW Transmission Planning Review Team Interim Report (the Interim Report or the Report).

AusNet is the largest diversified energy network business in Victoria with over \$13 billion of regulated and contracted assets. It owns and operates three core regulated networks: electricity distribution, gas distribution and the state-wide electricity transmission network, as well as a significant portfolio of contracted energy infrastructure. It also owns and operates energy and technical services businesses (which trade under the name "Mondo").

Our submission draws on our perspective as the primary transmission asset owner and operator in Victoria where planning arrangements similar to that being contemplated in NSW have been in effect for almost two decades. It is also guided by our experience competitively tendering for large transmission projects in Victoria and NSW and competing to provide connection assets across the NEM.

This experience places AusNet in a strong position to share relevant observations on potential issues and solutions worthy of further consideration by the Review Team. These observations consider the proposed draft recommendations in the Interim Report. Our submission offers the following observations:

- **We welcome the Interim Report and its direction**

AusNet supports the direction of the recommendations proposed in the Interim Report. Greater coordination between parties involved in network planning (i.e. Transmission Network Service Providers (TNSPs), Distribution Network Service Providers (DNSPs), EnergyCo) is critical for optimal transmission planning arrangements. Implemented effectively, the draft recommendations are likely to help strengthen existing mechanisms to coordinate planning and support:

- A timelier plan: One that makes transmission planning decisions early enough to mitigate known risks, are well-sequenced, leverage program efficiencies to accelerate delivery, and support investment in transmission, generation and storage infrastructure.
- A higher-quality plan: One that draws on the deep asset, network and operational insights of NSPs, resulting in more practical and technically feasible planning outcomes.

We welcome the proposed major reforms to consolidate strategic planning within a single party and coordinate TNSP and DSNP planning across all of NSW. This includes a single party holding responsibility for a new 20-year NSW System Plan which consolidates information and coordinates planning of strategic network projects across NSW. This approach provides greater accountability for NSW transmission planning decisions.

We also support the below draft recommendations which contribute to more holistic and efficient transmission planning decisions:

- Recommendation B.3: We support expanding EnergyCo's planning processes to require assessment of transmission, distribution and non-network options consistent with practices under the national arrangements;
- Recommendation B.4: We support clarifying the interaction between the ISP, TAPRs and DAPRs with state-based planning reports (e.g. minimising overlap in content, coordinating timing of how information in one report informs another); and
- Recommendation C.1: We support best-practice engagement obligations to enhance engagement with consumers and local communities and transparency of decision making.

Regarding Recommendation C.1, proactive, respectful engagement is essential to ensure network planners are equipped with the local knowledge and insights needed to minimise the impacts of energy infrastructure on communities. Communities expect the industry to respond genuinely to their concerns and values—this requires early engagement, procedural fairness, and meaningful benefit-sharing. In some cases, greenfield infrastructure development may be required unlock areas with the highest quality renewable resources and attract investment. In others, use of existing infrastructure corridors may be able to achieve similar outcomes and better align with community and land use expectations.

We also support the NSW transmission planning regime's continued use of contestability for major augmentations, recognising the significant benefits it can deliver for NSW customers. NSW augmentations continue to attract strong interest from qualified market proponents such as AusNet. This increased competition can spread delivery risk across a broader pool of network service providers and deliver value for consumers in terms of total cost, cost certainty, timely delivery and risk allocation.

Implemented effectively, the proposed reforms deliver tangible benefits to NSW consumers by reducing duplication of network planning activities, promoting clearer accountability, retaining competitive procurement and strengthened community engagement processes.

- **We agree with primary transmission asset owner retaining certain TNSP functions, but further clarity is required**

We support the decision to expand EnergyCo's coordination role whilst largely maintaining the planning roles of existing NSW transmission and distribution businesses (Recommendation A.9, B.1). The primary transmission network asset owner is best placed to plan business-as-usual (BAU) transmission upgrades and replacements due to their deep knowledge of their network and expertise operating and maintaining these assets. In addition, retaining responsibility for TAPRs and DAPRs with primary transmission asset owners enables the jurisdictional planner (i.e., EnergyCo) to focus its efforts on major augmentations which are more complex and require more active risk management.

We note that the Interim Report has proposed EnergyCo plan for 'strategic' network projects identified by TransGrid and DNSPs that encompass (1) REZ and Priority Projects, (2) ISP Projects (3) Other strategic projects to achieve its objectives. While we support this direction, we recommend that the definition and scope of 'strategic projects' is clearly defined. We acknowledge that detailed criteria for identifying strategic NSW projects will be developed through further consultation by EnergyCo, and we strongly recommend that this work be prioritised. A clear definition of strategic projects enables NSPs to plan with confidence, drives accountability for network outcomes and clarity to affected stakeholders about who is responsible for responding to their concerns and priorities.

Effective transmission network operations¹ require clear delineation of roles and responsibilities. In Victoria, we see a need for a single network operator for both existing and new shared transmission network within and outside of REZs. This position is informed by the challenges we have faced in a multi-operator environment:

- Emergency coordination delays: The involvement of multiple parties during emergencies has led to slower coordination, delayed response times, and complications in diagnosing and resolving issues; and
- Responsibility misallocation: Fragmented responsibilities have resulted in delays to outage management and emergency responses, particularly when reliant on third parties with lower service-level commitments.

¹ The operations function includes setting network limits, contingency management, coordination of emergencies, load shedding and restoring supply (under direction of AEMO), procuring network support, and operating and reconfiguring the network.

These issues are further compounded by the meshed nature of Victoria's transmission network, which creates significant interdependencies between operators. For example, incidents that occur in parts of the network owned and operated by a third party can directly impact AusNet's operations. Historically, these challenges have been manageable due to AusNet's 99% ownership of the network. However, as the number of operators increases and the network becomes more complex, we anticipate these issues will become more pronounced.

We acknowledge that NSW has adopted a different model, contestably procuring an operator for each Renewable Energy Zone (REZ). To support effective implementation of a multi-operator model in the NSW context, we recommend establishing standardised service level requirements and operational protocols across all operators, alongside centralised emergency response procedures to strengthen coordination and improve network reliability. We would welcome the opportunity to share our experience in managing a multi-operator environment in Victoria with the Review Team.

- **We support further work that clarifies and enhances existing contestable regime**

We understand that the Interim Report will separately develop and consult on contestability criteria for the *Electricity Infrastructure Investment Act 2020* (EI Act) projects by the end of 2026 (Recommendation A.8). AusNet welcomes further consultation on contestability criteria and can bring experience from both our deep understanding of the Victorian arrangements and as a contestable proponent in NSW to this conversation.

In the immediate term, we agree that reforms to the system strength regulatory arrangements should be resolved as soon as possible (Recommendation A.3). Without a defined framework, there is a risk of fragmented planning, duplicated investment, and delays in delivery of system strength services—ultimately increasing costs and reducing reliability for consumers. For example, while the NSW System Strength Service Provider has planned solutions for the New England REZ in its system strength regulatory investment test, it has separately itemised these solutions. This recognises EnergyCo may adopt an approach outside of the NER framework to meet the REZ's system strength needs (e.g. central remediation by a third-party network operator).² We support the development of a comprehensive and clear framework that assigns clear roles and accountability, enables effective coordination, and provides mechanisms for cost recovery across all relevant parties.

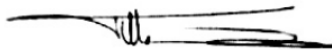
We also support strengthening network-to-network connections regime to enable timely and efficient delivery of contestable assets (Recommendation A.2). The Interim Report rightly identifies that existing NSW arrangements—originally designed for generator connections—lack the clarity, enforceable obligations, and coordination mechanisms needed to support efficient and timely delivery of new network connections. We agree that new arrangements should be implemented as a matter of priority to support upcoming REZ developments, such as the New England REZ, and to avoid delays, duplication, and inefficiencies. Strengthening these processes will be essential to enabling coordinated planning and delivery across multiple network operators in a contestable environment.

We would welcome the opportunity to engage in more detailed conversations on these issues with you. If you have any questions regarding this submission, please contact Jason Jina, Policy and Reform Manager by email at jason.jina@ausnetservices.com.au.

Sincerely,



Tom Hallam
General Manager, Strategy and Regulation
(Transmission)



Frank Maniere
General Manager, Strategic Growth

AusNet

² TransGrid, *Meeting System Strength Requirements in NSW: RIT-T Project Assessment Conclusions Report*, July 2025