

NSW TRANSMISSION PLANNING REVIEW - INTERIM REPORT

25 JULY 2025

INTRODUCTION

The Energy Users' Association of Australia (EUAA) is the peak body representing Australian commercial and industrial energy users. Our membership covers a broad cross section of the Australian economy including significant retail, manufacturing, building materials and food processing industries. Combined our members employ over 1 million Australians, pay billions in energy bills every year and in many cases are exposed to the fluctuations and challenges of international trade.

Thank you for the opportunity to make a submission under the NSW Transmission Planning Review - Interim Report.

We begin by congratulating the Ferrier Swier team on a very comprehensive, high quality Interim Report. There has been careful consideration of all submissions, clear evaluation of the merits of different options against the assessment criteria and well-reasoned arguments provided for the recommendations made.

This has led us to support all 16 of the recommendations made and the proposed prioritisation. Our comments focus on the process for implementation and, in particular, the role of consumer engagement.

The importance of getting implementation right

The recommendations involve fundamental change to all aspects of transmission planning in NSW. Effective implementation is required to realise the identified benefits and believe that the final report should have a focus on how to implement the recommendation. This would include the resources required to achieve a very ambitious timetable and the stakeholder engagement required to embed enduring support for the changes.

We are concerned about the risk of implementation being delayed especially for the immediate actions to accelerate planning and delivery of the New England REZ and this is leading to reduced commitment to achieve the change that is needed. Many of the shortcomings of the existing framework stem from that framework being established too quickly as the Government sought to accelerate the timeline for CWO delivery. We want to avoid the same problems re-occurring.

Just as Chapter 4 discusses the need to enhance engagement, transparency of transmission planning decisions, the same is needed during implementation. We expect there will be some an Implementation Steering Committee of some form. We recommend that there be consumer representation on that as well as a separate Implementation Consumer Reference Group to focus on monitoring and advising on implementation of recommendation C.1.

Recommendation C.1 – Implement best practice engagement obligations to enhance engagement with consumers and local communities and transparency in decision making

We are very pleased to see this recommendation covering both community engagement at the local project level and around the bigger picture questions of the risk sharing between consumers and network developers and who should pay for what. It should bring the NSW process up to the level of accepted network best practice engagement across the NEM over recent years. The record of our participation in the current Roadmap Consumer Reference Group has been one of frustration with being bound by a Confidentiality Deed preventing us properly engaging with our members and DNSPs and the Department seeing the CRG as little more than a ‘tick the box’ ‘inform’ exercise.

It seems that a major reason for the lack of consumer engagement and transparency framework in the EII Act is because of the desire to build projects quickly to meet ambitious decarbonisation targets. The problem with this approach is that it denies a proper voice to those who are directly impacted by a project and to those who have to pay for it. We have seen that has led to project delay. As for the latter, this lack of transparency and consumer engagement has meant for example:

- The Infrastructure Planner Fee for CWO is \$2.767b¹ covering various fees paid to Energy Co and early works expenditure by the selected Developer ACERZ – consumers who are paying this have little idea of what it covers and the AER is unable to include it in its assessment of whether the project capex is ‘prudent, efficient and reasonable’
- The same goes for the \$92.9m EnergyCo component of the Infrastructure Planner Fee for the Hunter Central Coast REZ²
- There are no opportunities for substantive consumer involvement in any of the work undertaken by EnergyCo or AEMO Services; public reports produced by these bodies are high level summaries that hide behind the cloak of confidentiality while there is no public submissions process to engage with a broader group of stakeholders
- For example, there were three cost benefit analyses for the Hunter Central Coast REZ - AEMO Services in the 2023 IIO Report³, Energy Co modelling⁴ in its role as the Infrastructure Planner for its recommendation in April 2025 to AEMO Services to authorise the Hunter REZ and AEMO Services for a second time (because the one it did in the 2023 IIO Report was out of date) for its authorisation decision in May 2025⁵; only high level summaries of these CBAs were published, there was no public consultation process on methodology or assumptions or a draft report as is the case, for example, with the ISP.

Good engagement does not always slow down the project development timetable – it often facilitates achievement of the desired timetable. It does take time and effort as networks are realising as they seek to address social licence concerns. Good engagement means consumers who pay the Roadmap bills can understand whether the risk allocation they bear is fair and they are getting value for money. Good engagement goes hand in hand with increased transparency of the decision making process. If the Government believes that Roadmap is in the long

¹ See pp. 26-7 <https://www.aer.gov.au/system/files/2025-04/CWO%20REZ%20network%20project%20revenue%20determination.pdf>

² See pp. 33-4 <https://www.aer.gov.au/documents/ausgrid-hunter-central-coast-rnip-2026-31-revenue-proposal>

³ https://aemoservices.com.au/-/media/services/files/publications/iio-report/2023/2023-iio-report-december_final.pdf

⁴ https://www.energyco.nsw.gov.au/sites/default/files/2025-04/HCC%20REZ%20IPRR%20-%20Public%20Report_0.pdf

⁵ <https://aemoservices.com.au/-/media/services/files/products/rez/hcc/250508-approved-hcc-rnip-statement-of-reasons.pdf?la=en>

term financial interest of NSW consumers, then it has nothing to lose and everything to gain from transparent best practice consumer engagement.

We support the recommendation that EnergyCo establish a separate Consumer Panel rather than a joint consumer and community panel as community engagement is best done by separate local community engagement. We support the Consumer Panel being modelled on the AER's Consumer Challenge Panel and the Powerlink PTI Expert Panel. While the Panel would be established and funded by EnergyCo, we support the recommendation that it have a remit to cover the work that AEMO Services undertakes for EnergyCo. We also support the recommendation that, where confidentiality allows, EnergyCo and AEMO Services publish draft reports for stakeholder consultation. The issue of what is confidential should be subject to review so that it not an excuse for lack of required transparency.

We recommend that the Final Report discuss the level of transparency the consumer panel should be provided to enable it to prepare its advice. Both the CCP and the Powerlink PTI Panel sign confidentiality agreements that enables them to access the required information. This is particularly important where EnergyCo's functions involve making recommendations to the Minister or AEMO Services rather than making decisions. We would add that the Panel's reports should be made public subject to redaction of confidential information.

We would propose the appointment of an Implementation Consumer Reference Group to monitor and advise on the implementation of all aspects of recommendation C.1. At some stage its role would be taken over by the continuing EnergyCo CRG.

CONCLUDING REMARKS

We appreciate the considerable effort the review team has put into this process and the opportunities we have had for engagement with the team. The Interim Report is a very comprehensive and a valuable contribution to improving transmission planning in NSW and an efficient transition for NSW consumers.

The EUAA welcomes further discussions with us around the issues raised in this submission. Do not hesitate to be in contact with EUAA Director of Policy and Regulation Mark Grenning should you have any questions.



Andrew Richards
Chief Executive Officer