

Feedback on the NSW transmission planning review: Interim Report

21 July 2025

To the NSW Department of Climate Change, Energy, the Environment and Water (DCCEEW)

Thank you for the opportunity to provide feedback on the Transmission Planning Review.

Community Power Agency is a not-for-profit organisation that works with government, industry and community practitioners to empower communities across Australia to participate and benefit from a fairer and more accessible renewable energy system. Within New South Wales and across Australia we have supported more than 50 community energy groups to develop and deliver their own clean energy goals, and have provided guidance and policy advice for federal, state and local government to support effective benefit sharing, community co-investment or co-ownership in large scale renewable energy. In North West New South Wales we have a longstanding relationship working with local community, developers, councils and industry associations to better manage impact and outcomes of renewable energy on housing, biodiversity, regional economic development and employment, including for marginalised and vulnerable populations, such as renters, people on low incomes, culturally and linguistically diverse (CALD) communities, and people with disability. We also work alongside First Nations partners to support self-determined participation in the energy transition, and recognise their sovereign rights, cultural knowledge and long-standing care for Country. Across all our work, we have found that enabling opportunities for communities to participate and benefit from energy projects can deliver substantial social and economic benefits in the form of building social capital, energy literacy, income and employment effects and empowering communities to take action on other local (social, resilience, environmental) challenges. In addition, it has profound flow-on impacts on social licence for renewable energy and trust in climate and energy policy.

We welcome reforms to improve community engagement processes and community outcomes related to transmission planning, and applaud explicit assessment of transmission planning against social impact criteria. We welcome including non-network solutions, distribution constraints and solutions in NSW System Plan and IIO reports to ensure recognition of the network and ancillary value of aggregated small-scale mid-scale generation and storage, which can also deliver significant benefits for local communities. We also welcome embedding clearer allocation of roles and responsibilities of the agencies involved into regulatory arrangements, alongside efforts to streamline the provision of transmission services that will increase transparency and efficiency, and deliver cost-savings that can be passed on to consumers.

Having reviewed the transmission planning review, we would like to make the following recommendations:

- **Prioritise the co-ordination of information and improve community engagement now in REZ's with ongoing community engagements on transmission**

The report identifies overlap and coordination gaps across multiple state and national bodies sharing planning roles, alongside confusion as to point of contact, multiple overlapping engagement processes on similar issues and consultation fatigue. To date, EnergyCo has engaged very little with any transmission or generation and storage projects that exist outside of new REZ transmission line planning - ie, if a project is related to existing transmission, it has been classed as outside EnergyCo's scope for planning. This causes a disjoint.

These issues point to a need for a single engagement pathway, with a single point of contact responsible for engagement and co-ordination of information sharing ie. a co-ordinated effort by EnergyCo to facilitate information exchange as required.

To resolve these issues, the report proposes clearer demarcation of roles working to a gradual hand-off of transmission planning roles to EnergyCo over a period of 3 years alongside the establishment of a 'process and approach paper' and 'stakeholder engagement plan'. However, with community engagement currently ongoing in at least 3 renewable energy zones (NE, South West REZ and Hunter Transmission Project) and facing strong backlash in a number of areas, the implications are that stakeholders on the ground will continue to have to deal with

multiple different parties involved in planning and execution of Integrated System Plan (ISP/NER), Priority Transmission Infrastructure Projects (PTIP) or Renewable Energy Zone Network Infrastructure Project (RNIP) projects until EnergyCo assumes integrated planning functions. The report recognises that multiple parties are consulting with communities on similar issues, but stops short of mandating a co-ordinated timetable or single front-door for community engagement.

- We strongly suggest the establishment of **a single front-door for community engagement in each REZ, encompassing a portal or Hub where communities can gain insight into the development pipeline of transmission infrastructure, and a single point of contact for understanding and engaging with any and all transmission developments within each REZ.** We note that EnergyCo's engagement to date has been under-resourced and is perceived by many communities as inadequate. Strengthening this capacity is critical to rebuilding trust and delivering effective outcomes.
- **Develop expectations and accountability over impacts and outcomes beyond good engagement processes** - Early community engagement prior to recommending RNIP and PTIP's is likely to improve opportunities for communities to influence siting, design and local benefit sharing. As such, we strongly support mandating best practice community engagement under the EII Act in alignment with the 2023 AEMC NER reform ("Enhancing community engagement in transmission building") and its IAP2-style expectations around the engagement process (clear, timely info; tailored methods; feedback loops). However, we would like to see clarification over whether these engagement requirements would apply to both non-contestable and contestable transmission service projects. In addition, while AEMC Best Practice Guidelines encourage 'regular involvement' in projects, they stop short of ensuring that adequate benefit sharing mechanisms are in place and deliver tangible local benefit outcomes.
- We recommend **more explicit and detailed consideration of social impacts within the transmission planning review and within the proposed NSW System Plans**, such as opportunities to participate in economic activities in the form of local training and employment, workforce accommodation, servicing and procurement, infrastructure, services and industry interactions and impacts, beyond effective consultation and engagement with affected stakeholders. We recommend that engagement strategies be assessed for accessibility and inclusion of a broad range of community members.

- **We recommend adopting explicit expectations for transmission services to deliver local benefits to communities, alongside further guidance and support for innovative benefit-sharing mechanisms,** such as community co-ownership, co-investment or joint ventures involving partnerships between First Nations and utilities in ownership and operation of transmission infrastructure on their lands, as exists overseas, based on Free, Prior and Informed Consent (FPIC). We also recommend setting up dedicated First Nations advisory bodies, within or alongside the Consumer Panel, to ensure culturally appropriate oversight of projects on their Country.
- Community engagement on transmission in New South Wales often consists of one way information flows on specific pre-designed transmission projects and do not go far enough to give communities meaningful influence over network planning.
- **We recommend putting in place robust community engagement processes in the development of proposed NSW System Plans, to enable more meaningful community input in discussions over broader issues including route selection, land-use, community benefit sharing, and the relative emphasis on transmission vs distribution approaches (and smaller-scale generation) to reshaping the grid.** One potential approach would be to work closely with Community Reference Groups in each REZ in the development of the system plan.
- **Ensuring the proposed Consumer Panel has an appropriate and effective statutory basis, diversity of representation, access to information, mandate and powers to meaningfully influence transmission planning, and is transparent** – The issues identified in the interim report around lack of transparency over financial implications and benefits for consumers and inadequate engagement beyond the project level point to a need for broader consumer and community engagement on transmission planning. We support the establishment of a Consumer Panel with a broader remit, with a clear mandate and scope of work in relation to mandates and scope of REZ Community Reference Groups. The report proposes the Consumer Panel would be consulted on ‘IIO Report development, RNIP authorisations, REZ access fees, and other relevant functions’.

- We recommend clearly **specifying the Consumer Panel objectives, clarifying its mandate and scope** in relation to REZ Community Reference Groups
 - We recommend specifying the decision points the Panel must be consulted and establishing a **statutory duty on the infrastructure planner to seek, consider and respond to Panel advice** within the EII. We recommend that projects would require formal endorsement by the Panel in order to proceed to the next planning milestone.
 - The Consumer Panel should have **data access rights with confidentiality protections** and be **adequately resourced** to be able to interpret relevant CBA's, load forecasts and risk models.
 - To be effective, the consumer panel should not be purely advisory and **terms of reference should be approved independently** from the Energy Infrastructure Planner it advises.
- **Embedding community benefit funds in collectively designed long-term community prosperity or development plans** – Practitioners on the ground in NSW point to instances where community organisations and local government have stepped up to co-ordinate the allocation of community benefit funds from renewable energy projects in a transparent and co-ordinated way, aligned with long-term community aspirations. However, there are also reports of community benefit funds being allocated in a more ad-hoc and less transparent manner, and not embedded in community prosperity plans, where councils are not adequately resourced or on the back foot.
 - We recommend **embedding and aligning EnergyCo's emerging Community Employment Benefit program in collectively designed long-term prosperity or development plans**, and working with intermediaries and organisations with existing community relationships to ensure that community benefits deliver real value to communities.

For further information on our work or on this feedback please contact:
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