

25 July 2025

Richard Owens
Review Lead
NSW Transmission Planning Review
Via email: transmissionplanningreview@dcceew.nsw.gov.au

Dear Mr Owens

Ausgrid response to NSW Transmission Planning Review Interim Report

Ausgrid is pleased to provide this submission to the NSW Transmission Planning Review (**the Review**) in response to its Interim Report (**Interim Report**). Ausgrid operates a shared electricity network that powers the homes and businesses of more than 4 million Australians living and working in an area that covers over 22,000 square kilometres from the Sydney CBD to the Upper Hunter.

We thank the Review for its extensive and genuine engagement with stakeholders, including Ausgrid. The Interim Report reflects the thoroughness of these efforts. In particular, we acknowledge how the Interim Report has attempted to balance the need for substantive reforms without either disrupting processes that are working well or delaying critical energy projects for NSW's energy transition already underway. As such, Ausgrid supports all 16 recommendations within the Interim Report.

In lending our support to the recommendations, we note that a well-considered implementation strategy will be critical to realising the positive intent behind them and ensuring the potential benefits of the reforms are delivered. We ask that, in its Final Report, the Review provide the NSW Government and Roadmap entities with explicit guidance on how implementation should be approached. Our submission focuses on three targeted implementation issues for the Review to consider:

1. Streamlining network planning processes in NSW will require finding ways to reduce administrative and regulatory complexity

One of the objectives of this Review is to "optimise the administrative simplicity, costs, and the effectiveness" of network planning in NSW.¹ As noted in our past submissions to this Review, Ausgrid strongly supports this objective.

The Interim Report has made a number of recommendations that we agree will provide clarity on what are currently complicated administrative and regulatory processes. We support these recommendations, which we consider will assist in reducing the costs and the risk of delays in delivering network projects. For example, the proposed amendments to the *Electricity Infrastructure Investment Act 2020* (NSW) (**EII Act**) to simplify the recommendation and authorisation of Renewable Energy Zone (**REZ**) Network Infrastructure Projects (**RNIPs**) (recommendation A.1) are sensible and likely to support the timely development of these critical projects. Similarly, recommendations A.7 and A.8 (clarifying which projects are approved under the EII Act compared to the National Electricity Rules (**NER**) and which projects are procured contestably), and recommendation B.2 (co-ordinating NSW planning reports) appear to be targeted reforms that will provide entities with clarity about how existing processes should work.

¹ NSW Transmission Planning Review, [Interim Report](#), p 14

To ensure the Review's recommendations are implemented in a way which minimises their administrative and regulatory burden, Ausgrid suggests further detail is included in the Review's Final Report on implementation pathways for recommendations which substantially alter entities' existing roles and responsibilities.

For example, the Review has recommended that the Energy Corporation of NSW (**EnergyCo**) Network Infrastructure Strategy is expanded into the NSW System Plan, to coordinate planning of strategic network projects (recommendation B.1). While the Interim Report provides a high-level definition of a 'strategic project', we ask the Review to expand upon this in its Final Report. Specifically, we ask the Review to provide reassurance that the definition for a 'strategic project' is intended to have a relatively narrow application, and to provide examples of what is not considered to be 'strategic' (for example, projects to address localised constraints). The NSW System Plan effectively serves as a trigger for broader coordination of other NSW planning reports (recommendation B.2) and scope for enhanced joint planning (recommendation A.10). There is therefore a risk that a broad definition of 'strategic project' results in an equivalent or greater level of complexity and duplication for entities responsible for network planning.

Similarly, we consider it important for the Review, in its Final Report, to clarify that its recommendations should be implemented in ways that minimise impacts to existing network planning processes which are currently working well.

This is particularly relevant to **recommendation A.2** (strengthen regulation of network-to-network connections). As a distribution network service provider (**DNSP**), the majority of Ausgrid's network-to-network engagements are with Transgrid to manage the upstream impacts associated with load growth. These have historically worked well to identify the most efficient combination of investments across our networks to resolve constraints. Ausgrid therefore welcomes commentary within the Interim Report that this recommendation is "kept relatively narrow to enable early implementation"². However, we remain concerned that this new regime – even if narrowly applied (i.e. projects progressed under the EII Act) – could cause confusion for networks, who may incorporate additional, unneeded technical and administrative processes to protect themselves from the risk of non-compliance with either regime under the NER or EII Act. We ask the Review, in its Final Report, to provide more specific clarity as to both what is in and out of scope of this new regime, and how the two regimes under the NER and EII Act are intended to work side-by-side, to minimise the risk of delays and disruption in network-to-network connections.

2. Practicalities associated with transitioning the Jurisdictional Planning Body role need to be better understood

The Review has recommended that EnergyCo, in its new role as the Jurisdictional Planning Body (recommendation A.9), play a more significant role leading and coordinating joint planning between network businesses (recommendation A.10).

Ausgrid supports three-way joint planning with EnergyCo for strategic projects. This is already happening to explore opportunities to efficiently expand the Hunter-Central Coast Renewable Energy Zone, with great success.³ However, we do not consider it would be efficient to establish three-way joint planning obligations more broadly. As we have noted in past submissions, the Ausgrid and Transgrid planning teams have a strong working relationship, and existing joint planning processes focused on resolving traditional inter-connection constraints have historically worked well. We are concerned that requiring

² NSW Transmission Planning Review, [Interim Report](#), p 55

³ EnergyCo, Transgrid and Ausgrid, [joint submission to the draft 2025 AEMO Electricity Network Options Report](#) (23 June 2025)

three-way joint planning for all issues would have significant cost and resourcing implications for Ausgrid and other DNSPs.

We therefore ask the Review to recommend that EnergyCo's role in joint planning be limited to planning for strategic projects. We consider this scope would align with their new functions as the Jurisdictional Planning Body.

We also ask the Review, in its Final Report, to provide further guidance on the roles, responsibilities and accountabilities of each participating party envisioned in this enhanced joint planning framework. Specifically, Ausgrid considers it critical for NSPs to understand early:

- **Accountability:** As noted above, when focused on resolving traditional inter-connection constraints (i.e. load forecasting, demand and voltage management, power quality and system fault levels) joint planning between Ausgrid and Transgrid has historically worked very well. Ausgrid asks the Review to advise on the level of decision-making power / authority EnergyCo is envisioned to have in situations where networks have agreed on a course of action.
- **Dispute management:** Conversely, Ausgrid would also like to understand whether the Review is proposing EnergyCo play an arbitration role within the enhanced joint planning framework. For example, where both networks have proposed alternate solutions to a constraint and a decision is needed on which solution should proceed.
- **Modelling:** The Interim Report proposes that the Australian Energy Market Operator's (AEMO) Inputs, Assumptions and Scenarios Report serve as the foundation for both the Infrastructure Investment Objectives Report and the NSW System Plan (recommendation B.2), but that these Reports expand their assessment of the distribution network (recommendation B.3). This is a welcome recommendation as, while Ausgrid recognises efforts by AEMO to improve the granularity of its distribution-level modelling, these enhancements might not be achieved fast enough. For example, the 2026 Integrated System Plan is expected to treat the three regions of Sydney, Newcastle and Wollongong as one single regional node, despite these cities representing approximately 46% (12.8 GW) of the NEM's average total demand. However, the Final Report should consider both the ongoing Integrated Distribution System Planning rule change process and how EnergyCo integrates any expanded assessment of the distribution network it undertakes to support the NSW System Plan into the modelling processes already being used by networks participating in joint planning. We note that currently, DNSPs, AEMO and Transgrid rely on different system modelling capabilities. While this has been a surmountable challenge for networks to date in joint planning, we would not support the introduction of further system modelling variations as it would create further complexity.
- **Joint planning agreements:** While not mandatory, joint planning agreements between networks have played an important role in establishing clarity around the purpose, scope and process of joint planning. Ausgrid and Transgrid's current joint planning charter was signed in 2022. We ask the Review, in its Final Report, to give consideration as to how these agreements could be used to account, and provide scope, for EnergyCo's new role. We note EnergyCo's expanded role could allow for existing joint planning agreements to be more broadly revisited to better reflect the evolving role of DNSPs in connecting generation and storage projects.

Ausgrid welcomes the Interim Report's acknowledgement that its recommendations have cost and resourcing implications for EnergyCo. We urge the Review to explore these same implications, as they relate to networks. Specifically, we note the risk that recommendation A.10 adds complexity and confusion to the joint planning process, and that networks are required to spend more time, resourcing and cost participating in new processes and complying with new obligations.

Further, while the Interim Report acknowledges that the NSW Government should engage with the ACT Government regarding the recommendation to make EnergyCo the NSW Jurisdictional planning Body, we also consider that further guidance from the Review in its Final Report would be useful. Specifically, the Review should advise how EnergyCo and Transgrid (as the two potential Jurisdictional Planning Bodies for the NSW / ACT National Electricity Market region) are to work together to avoid duplicated effort or increased administrative complexity.

3. To give these reforms the greatest chance of success, the Final Report should further consider the timing and processes for implementing recommendations


The Review has proposed 16 recommendations across three time-horizons: immediate, medium term (by 2026), and medium-to-long term (by 2027). Ausgrid supports the staged roll out of reforms, recognising that there are targeted 'quick wins' that can be delivered while more substantive reforms rightfully require "additional work to draft, consult on and enact".⁴

Overall, in our view, the timelines proposed in the Interim Report are ambitious. While we strongly agree that there is a need to progress reforms at pace, we ask the Review to consider whether, practically, adequate time has been allowed for the transparent implementation of well-developed solutions. For example, a number of recommendations, including some within the 'immediate' time horizon, identify the need for further policy work and/or legislative change. Proposed timelines must balance the need for timely delivery without putting pressure on the NSW Government (or Roadmap entities tasked with implementation) to cut short processes critical for transparency, such as targeted and/or public consultations.

To give these reforms the best chance of success, we also ask the Final Report to include explicit advice on the governance and oversight frameworks that should be established by the NSW Government to drive the implementation of recommendations. For example, to aid the implementation of the Electricity Infrastructure Roadmap, the NSW Government established the Networks CEO Steering Committee. This forum enabled closer collaboration between Department and NSP staff, created pathways for implementation roadblocks to be escalated and resolved, and maintained accountability for project timelines and delivery. Ausgrid would welcome the establishment of a similar forum and the opportunity to be closely involved in the overall implementation process.

Ausgrid once again thanks the Review for the extensive consultation it undertook through this process. We would be happy to meet further to discuss this submission. Please contact Emma Vlatko, Senior Policy Advisor at emma.vlatko@ausgrid.com.au if you would like to arrange a discussion.

Regards,



Junayd Hollis
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⁴ NSW Transmission Planning Review, [Interim Report](#), p 49