

Department of Climate Change, Energy, the Environment and Water

Guidelines for Access Scheme Declarations

May 2026



DCCEEW / Mike Terry

Acknowledgement of Country



Department of Climate Change, Energy, the Environment and Water acknowledges the traditional custodians of the land and pays respect to Elders past, present and future.

We recognise Australian Aboriginal and Torres Strait Islander peoples' unique cultural and spiritual relationships to place and their rich contribution to society.

Artist and designer Nikita Ridgeway from Aboriginal design agency – Boss Lady Creative Designs, created the People and Community symbol.

Guidelines for Access Scheme Declarations

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1. Introduction

Renewable Energy Zone (REZ) access schemes coordinate NSW energy infrastructure investment by managing the access to and use of specific network infrastructure by network operators and generation and storage infrastructure operators. They are fundamental to realising the objectives of the Electricity Infrastructure Roadmap, the *Electricity Infrastructure Investment Act 2020* (the Act) and the Infrastructure Investment Objectives Report.

Access schemes:

- enable coordination of investment in new generation, storage, network and related infrastructure to improve the affordability, reliability, security and sustainability of electricity supply
- encourage investment in new generation and storage projects in REZs by reducing risks for investors
- provide a pathway to support greater affordability for NSW electricity customers through generator contributions to REZ delivery costs
- support improved land-use planning outcomes
- foster local community support for investment in new generation storage, network and related infrastructure, including through generator contributions to community and employment purposes
- support local economic development, local industry, manufacturing and jobs
- increase employment and income opportunities for First Nations people and promote consultation and negotiation with the traditional owners of land on which generation and storage projects in REZs are constructed or operated.

If an access scheme is declared, the consumer trustee must determine the fees payable by participants in the access scheme to support the long-term financial interests of NSW electricity customers. Participants will contribute access fees that can fund:

- community and employment purposes in the region
- access scheme administration costs
- REZ infrastructure and delivery costs.

The Minister must publish guidelines about the exercise of their functions in relation to the declaration of access schemes.¹

¹ Section 25(1) of the Act.

1.1. What is an access scheme?

Access schemes may authorise or prohibit access to, and use of, infrastructure in a REZ by network operators and operators of generation and storage infrastructure.² They are a set of rules, terms and conditions that govern the use of the network infrastructure. Access schemes may include the following components:

- **access rights regime** – authorises access to specified network infrastructure in or related to a REZ according to the terms in a REZ access scheme declaration
- **access control mechanism** – places limits on how specified network infrastructure in or related to a REZ is accessed and used.

Access schemes provide a range of benefits to generators, investors, consumers and local communities by controlling how projects connect to REZs and defining their rights to connect to the access scheme network. Benefits include:

- encouraging efficient investment in energy infrastructure to deliver better consumer outcomes and NSW Electricity Infrastructure Roadmap targets
- providing greater certainty to generation and storage proponents
- ensuring efficient utilisation of network infrastructure
- governing the types, scale, number and location of new generation and storage projects being delivered within REZ communities
- supporting strategic management of land use and cumulative impacts.

1.2. Purpose of the guidelines

The guidelines provide information on how the Minister will exercise the function of declaring access schemes under the Act (including amending or repealing a declaration).

It is important that regulatory instruments facilitating access schemes are flexible so the unique opportunities and challenges of each REZ can be met. The Minister may depart from the guidelines to address the unique characteristics of each REZ. The guidelines support the development of an access scheme declaration by including the:

- purposes of an access scheme declaration
- elements of an access scheme that may be included in the declaration
- process the Minister will follow when exercising the function of declaring access schemes
- considerations for the Minister in making decisions.

² Section 24(2) of the Act.

These guidelines do not restrict the operation of section 24 or other provisions of the Act. If there is any inconsistency between these guidelines and the Act, the Act prevails to the extent of the inconsistency.

The guidelines do not provide information on other regulatory, procedural or contractual arrangements that may be necessary to implement an access scheme. They do not, for example, include information on:

- **setting access fees** – the consumer trustee determines access fees payable by participants in an access scheme and will notify participants of the access fees payable by them for participation in the scheme
- **contracts** that access scheme participants may be required to enter as a condition of access
- **regulations** to modify the NSW application of the National Electricity Law and National Electricity Rules to enable the operation of access schemes.

1.3. Terms and phrases

The terms and phrases in this guideline have the same meaning as in the Act and are defined in the table below.

Term/phrase	Definition
Access control mechanism	A mechanism that governs the access of persons to a specified part of the access scheme network other than an access rights network
Access rights network	Specified network infrastructure forming part of a REZ to which an access rights regime applies
Access rights regime	An access mechanism that requires generation or storage projects seeking access to specified network infrastructure in the REZ to hold access rights. Terms and conditions of the regime are included in an access scheme
Access scheme	A scheme that authorises or prohibits access to, and use of, specified network infrastructure in a REZ by network operators and operators of generation and storage infrastructure. ³ An access scheme may include an access rights regime (authorise access), or an access control mechanism (limits on how infrastructure is used), or both.

³ Section 24(2) of the Act.

Access scheme declaration	An order made by the Minister under section 24 of the Act that declares the access scheme that is to apply in a REZ or in part of a REZ
Access scheme network	Specified network infrastructure forming part of a REZ to which an access scheme declaration applies an access scheme. This includes infrastructure to which an access rights regime or an access control mechanism applies
Act	<i>Electricity Infrastructure Investment Act 2020</i> (NSW)
Department	Department of Climate Change, Energy, the Environment and Water
Minister	The NSW Minister for Energy.
Renewable energy zone or REZ	The geographical area of the state and the infrastructure specified in a declaration made by the Minister under section 19 of the Act

2. Access scheme declarations

2.1. Access scheme declarations explained

Access scheme declarations made under Section 24 of the Act define how an access scheme will operate and apply to network infrastructure in a REZ.

At any time after the declaration of a REZ, the Minister may declare one or more access schemes to apply in all or part of the REZ. The access scheme must be consistent with the objects of the Act.

The purpose of an access scheme declaration is to:

- specify the network infrastructure in or related to a REZ that the access scheme applies to and define the rights of parties to access and use that network infrastructure
- notify stakeholders that an access scheme applies in a REZ or part of a REZ
- where an access rights regime is established, articulate a process for
 - the allocation of access rights (e.g., tests that must be met before access rights are granted or increased)
 - the administration of the scheme.

Access scheme declarations provide important information to investors and National Electricity Market participants to enable them to understand the nature and value of access rights. They also provide clarity for host communities about the management of access by generation and storage infrastructure to network infrastructure in the REZ.

2.2. Contents of an access scheme declaration

Under the Act⁴, an access scheme declaration may specify:

- the person or body who will administer the access scheme, which is intended to be Energy Corporation of NSW as the Infrastructure Planner
- how access rights are to be conferred on participants, which may include contractual arrangements between participants and the infrastructure planner, the scheme financial vehicle or another person
- the terms and conditions of access rights
- the functions of the regulator in relation to the access scheme
- the rights and liabilities of the scheme financial vehicle in relation to the access scheme

⁴ Section 24(5) of the Act.

- other matters prescribed by regulation including:
 - arrangements for administration of the access scheme, for example the roles and responsibilities of entities under the access scheme including, as applicable, the infrastructure planner for the relevant REZ, the consumer trustee, the scheme financial vehicle, relevant network operators and participants
 - the classes of infrastructure plant or equipment, and owners, controllers or operators of the infrastructure, plant or equipment, that may be subject to the access scheme
 - eligibility criteria for participating in the access scheme
 - matters related to access and connection or disconnection process
 - matters related to proposals for the grant or increase of access rights and for the augmentation of network infrastructure
 - how the declaration may be amended.⁵

2.2.1. Network infrastructure

An access scheme authorises or prohibits access to, and use of, specified network infrastructure in or related to a REZ. Specifying the network infrastructure to which an access scheme applies is therefore a key element of an access scheme declaration.

An access scheme declaration may specify all or a subset of the network infrastructure that forms part of a REZ as identified in a declaration under section 19 of the Act.

In specifying the access scheme network and determining the mechanisms that will be used to authorise and prohibit access to that network infrastructure, the Minister will act consistently with the objects of the Act. The Minister also intends to consider the unique characteristics and needs of each REZ when specifying an access scheme network, including the:

- mix of existing and new network infrastructure in the REZ
- built and natural environments within the REZ geographic area
- communities impacted by the implementation of a REZ access scheme
- energy resources and investor interest.

Where the Minister proposes to specify existing infrastructure as forming part of an access scheme network, the Minister may include terms in the access scheme declaration to prevent impacts on parties such as generation or storage proponents that are already connected to the relevant network, or that are substantially progressed in their development or in the connection process.

2.2.2. Access rights regime

An access scheme may include an access rights regime under which parties such as generation or storage proponents who wish to connect to specified network infrastructure in a REZ or part of a

⁵ Section 55 of the *Electricity Infrastructure Investment Regulation 2021*. Note this list is not exhaustive.

REZ (the access rights network) are required to hold access rights. The objectives of an access rights regime include:

- ensure strategic and optimal use of the access rights network, maximising benefits to consumers
- reduce risks for investors, encouraging efficient investment in new generation and storage projects in REZs.

If an access scheme includes an access rights regime, the Minister may include:

- **persons that the access rights regime applies to** – eligible generation and storage proponents seeking connection to the access rights network
- **process for the allocation of access rights** – the declaration may place certain rules on the method, quantum and timing of access rights allocation. In determining any process for allocating access rights, the Minister may have regard to the purposes of the access scheme and the declaration set out in the Act
- **conferral of access rights** – including any pre-conditions to the grant of access rights; for example, the access scheme declaration may specify contractual arrangements between participants and the infrastructure planner, the scheme financial vehicle or another person
- **duration of access rights** – including whether, and in what circumstances, an access right can be extended or terminated
- **register of access rights** – how access rights will be recorded or registered; for example, requiring that the access scheme administrator or another party makes and maintains an access rights register and specifying the contents of, and access to, the register
- **impact on network operators** – how an access rights regime applies to network operators, including those seeking connection to the access scheme network such as distribution network service providers
- **transfer of access rights** – including any circumstances in which access rights may be surrendered, reallocated or transferred and whether access rights are tradable
- **other terms, conditions and scheme design elements** the Minister considers appropriate for inclusion. This may include the process to connect to the access rights network, and other details on the nature of the right and curtailment objectives to deliver efficient network utilisation.

Designing an effective access scheme will help ensure REZs deliver their intended outcomes. Whilst the Minister will consider unique characteristics of each REZ when declaring an access scheme, the following are commonly considered for access schemes:

- **A physical connection model** – places limitations on the size, nature and operation of generators with an access right based on a targeted level of transmission curtailment. This model provides investor confidence by physically restricting the capacity of generation and storage that can connect to the access rights network. This is distinct from an alternative,

more complex financial model where access right holders are compensated when they are curtailed due to other projects.

- **Allocation of access rights** – allocation of access rights is through a competitive tender process or, in certain circumstances, an application process run by the infrastructure planner.
- **Process for the allocation of access rights** to provide efficient network utilisation. Allocation of access rights may have regard to:
 - **curtailment objectives** that provide a process to set a target transmission curtailment level to deliver efficient utilisation of the access rights network.
 - **capacity caps** that are determined from time to time based on the transfer capacity of the access rights network and the curtailment objectives. A capacity cap is a physical cap on the access rights that can be awarded at a point in time.
 - **forecast curtailment assessment** including an assessment of actual network utilisation relative to the curtailment objectives to determine if additional allocations can be made in accordance with a methodology set out in the declaration.
 - **market-led augmentations** allowing the market to propose network augmentations to expand the REZ's intended network capacity in accordance with a methodology set out in the declaration.
- **Streamlined connection** – access right holders may follow a streamlined process to connect to the access rights network to achieve efficiencies for projects and network operators.

2.2.3. Access control mechanism

An access control mechanism enables the Infrastructure Planner to control the access of parties to all or part of the access scheme network – the access control network – with or without an access rights regime being put in place. They may be applied to all or part of network infrastructure in a REZ, and the unique characteristics of each REZ will inform whether one is needed and how the mechanism is designed. For example, an access control mechanism could be designed as:

- a complementary mechanism to an access rights regime applied in the REZ, where parties connecting to network infrastructure in the REZ (other than the access rights network) could impact access right holders.⁶ This form of access control mechanism would be designed to safeguard the objectives of an access rights regime by controlling the access of parties to a

⁶ For example by increasing their curtailment risk or changing the marginal loss factors applicable to their projects.

specified part of the access scheme network. An access control mechanism of this type could require parties connecting to the access control network to demonstrate that if connected they would not impact the curtailment outcomes of access right holders or

- as a standalone access scheme applied in all or part of the REZ where an access rights regime is not considered appropriate, but it is consistent with the objects of the Act and the purpose of access schemes, for the Infrastructure Planner to control access to network infrastructure in the REZ. An access control mechanism of this type could require all generation and storage projects seeking access to network infrastructure in the REZ to meet specified eligibility criteria and make binding social licence commitments.

2.3. Access scheme enforcement

An access scheme declaration may specify an enforcement framework, including:

- the roles of the access scheme administrator, regulator, or other entities (as relevant) in enforcing the access scheme
- any circumstances in which access right holders must surrender access rights under an access rights regime
- any circumstances in which a project may have its approval to connect to the access scheme network under an access control mechanism revoked.

In determining the enforcement framework, the Minister may consider the following matters:

- the potential impacts of a breach of a term or condition of access, including impacts on access right holders, local communities and First Nations people
- any other regulatory or contractual mechanisms available to enforce compliance with the terms and conditions of the access scheme
- the desirability of using remedial rather than punitive enforcement mechanisms.

2.4. Process for declaring an access scheme

The Minister may declare an access scheme at any time following the declaration of a REZ.⁷

For each REZ, the Minister intends to request the infrastructure planner to lead the access scheme design and make access scheme recommendations to the Minister. Making recommendations on access scheme design complements EnergyCo's functions under the EII Act, including planning network infrastructure required for REZs, investigating, planning and coordinating generation, storage and network infrastructure, and administering funds for community and employment purposes.⁸

The expected process for making a recommendation is set out below.

1. EnergyCo applies its assessment framework to consider whether applying an access scheme in all or part of the REZ would be consistent with the objects of the Act including improving the affordability, reliability, security and sustainability of electricity supply for NSW electricity consumers.
2. EnergyCo develops a draft consultation paper (in consultation with the Minister, the department and the consumer trustee) setting out proposed positions or options for access schemes in the REZ.
3. EnergyCo may publicly consult on the access scheme design prior to the draft declaration being exhibited.
4. EnergyCo provides a recommendation to the Minister (following consultation with the department and the consumer trustee) on whether to declare an access scheme, and if an access scheme is recommended, the design of that access scheme, including a proposed draft declaration.
5. The Minister considers EnergyCo's recommendation.

The Minister decides whether to declare an access scheme based on EnergyCo's recommendation. Before making a declaration, the Minister must:

- consult with the infrastructure planner for the relevant REZ
- consult with relevant operators who may be affected by the declaration
- make a draft declaration publicly available on the department's website for at least 28 days
- seek and consider submissions from the public (including representatives of NSW electricity consumers, local regional communities, and First Nations people) on the draft declaration.⁹

The Minister may update the declaration and material amendments to the draft declaration may require further public consultation. The final access scheme declaration will be published in the NSW Gazette and on the department's website.¹⁰

⁷ Section 24(1) of the Act.

⁸ Section 63(4)(b) and (c) of the Act, clause 42D of the EII Regulation.

⁹ Section 24(6) of the Act.

¹⁰ Section 24(7) of the Act.

2.5. Amending or repealing an access scheme declaration

2.5.1. Amending an access scheme declaration

The Minister may amend a declaration of an access scheme only:

- to correct a minor error or misdescription
- to provide further details and specifications about information contained in the declaration
- if there are no participants in the access scheme immediately before the declaration is amended, or
- if the amendment is made in accordance with the terms of the access scheme.¹¹

2.5.2. Repealing an access scheme declaration

The Minister may repeal a declaration of an access scheme only if:

- there are no participants in the access scheme immediately before the repeal, or
- the repeal is made in accordance with the terms of the access scheme.¹²

¹¹ Section 28(1) of the Act.

¹² Section 28(2) of the Act.