

15 August 2022

James Hay  
Chief Executive  
Energy Corporation of NSW (EnergyCo)  
By email: [contact@energyco.nsw.gov.au](mailto:contact@energyco.nsw.gov.au)

Dear Mr Hay,

**Response to CWO REZ Access Rights and Scheme Design Positions Paper**

The Clean Energy Investor Group (CEIG) welcomes the opportunity to provide feedback on the NSW Department of Planning, Industry and Environment Positions Paper published in July 2022 on the Central-West Orana (CWO) *Renewable Energy Zone (REZ) Access Rights and Scheme Design* (the Positions Paper).

CEIG represents domestic and global renewable energy developers and investors, with more than 11GW of installed renewable energy capacity across more than 70 power stations and a combined portfolio value of around \$24 billion. CEIG members' project pipeline is estimated to be more than 18GW. CEIG strongly advocates for an efficient transition to a clean energy system from the perspective of the stakeholders who will provide the low-cost capital needed to achieve it.

CEIG welcomes the release of the NSW CWO REZ Access Rights and Scheme Design and commends the NSW Government for showing leadership by consulting on the detailed design of its access regime for the priority CWO REZ.

**CEIG concerned with the removal of the access scheme control mechanism**

CEIG notes that in Section 4 of the Consultation Paper released in December 2021, two potential access scheme control mechanisms were proposed for projects in, or near, the REZ not connecting to the new REZ infrastructure. The rationale for these mechanisms were explained as follows:

*“Access right holders’ access can be curtailed, and their marginal loss factors impacted, by projects connecting to nearby infrastructure. This impact may affect the overall REZ network performance degrading its commercial attractiveness to proponents.”*

*“Connections to [existing network] infrastructure have the potential to cause adverse network effects for Category A projects [i.e. those paying for REZ access rights]”.*

These two statements are as true today as they were last December. CEIG is concerned that not including a proposed access scheme control mechanism will result in open access for all new grid connections in the REZ, not connecting to the new REZ infrastructure undermining the value of the REZ.

CEIG's position remains that the proposed access scheme control mechanism can be expected to provide greater certainty for REZ projects that their REZ benefits will not be eroded by projects seeking to connect 'near the REZ', as highlighted in CEIG's submission to the consultation paper.<sup>1</sup>

### **Curtailment level increased more than 10-fold**

CEIG notes the target transmission curtailment level proposed for the CWO REZ in the Consultation Paper was 0.3% and was based on modelling undertaken by the department using publicly available information. However, the current position of the NSW Government is to raise the target transmission curtailment level more than 10-fold to 4.37% in the Positions Paper.

CEIG recognises that investors might consider this level of curtailment acceptable if there were no further curtailment between the REZ and the Regional Reference Node (RRN); however, as there are no restriction on new connections between the REZ and the RRN there is a significant risk that curtailment will increase further.

CEIG understands that the increased target transmission curtailment level was determined through further modelling and analysis since the Consultation Paper and request the NSW Government to make the modelling undertaken by the department public at the earliest convenience.

CEIG thanks the NSW Government and the Department of Planning, Industry and Environment for the opportunity to provide feedback on the draft CWO REZ Access Scheme and looks forward to continued engagement on this issue and on the Electricity Infrastructure Roadmap more broadly. Our Policy Director Ms. Marilyn Crestias can be contacted at [marilyn.crestias@ceig.org.au](mailto:marilyn.crestias@ceig.org.au) if you would like to further discuss any elements of this submission.

Yours sincerely,



Simon Corbell  
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**Clean Energy Investor Group Ltd**  
w: [www.ceig.org.au](http://www.ceig.org.au)

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<sup>1</sup> [CEIG Response: NSW Govt CWO REZ Access Regime](#)