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Richard Owens
Review Lead
NSW Transmissions Planning Review Panel
Lodged online: transmissionplanningreview@dcceew.nsw.gov.au

Dear Richard

NSW Transmission Planning Review

Transgrid is committed to operating and advocating for outcomes that are aligned to the National Electricity Objectives (price, quality, safety, reliability, security and emissions), and the long-term interests of energy consumers. Transgrid welcomes the establishment of the NSW Transmission Planning Review and looks forward to engaging with the Panel throughout the review.

In our role as the network planner and operator for NSW and ACT transmission, Transgrid has developed unique expertise and capability in managing one of the critical elements of the Australian energy system. Our primary responsibilities are to ensure the ongoing security and reliability of the electricity system as it transitions to higher renewables penetration to support Australia's 43 per cent carbon reduction target from 2005 levels by 2030 and net zero by 2050.

The transmission planning recommendation from the *NSW Electricity Supply and Reliability Check Up report* was provided to the NSW Government in August 2023, when some challenges were identified in coordinating transmission planning across AEMO, EnergyCo and Transgrid. Much of this was driven by the uncertainty on how new Renewable Energy Zone (REZ) networks would be configured and how they would interface with the shared network backbone. Since then, a great deal of constructive and collaborative work has been undertaken between these organisations to establish the *Principles for Transmission Forward Planning* in the context of the development of renewable energy zones (REZ) in New South Wales. Additionally, there are highly collaborative joint planning and informal working arrangements in place to ensure that transmission planning is undertaken effectively and efficiently.

The energy transition in NSW is progressing at pace, driven by the scheduled retirement and declining reliability of ageing coal generators. It is essential that the recent momentum is maintained, and critical projects are delivered rapidly to ensure energy costs for consumers are as low as possible and energy reliability and system security risks are managed. We would, however, welcome enhancements to current arrangements, such as:


- Streamlining the content within published planning reports to focus on the key users of the information provided.

- Addressing the sometimes-conflicting objectives of national, regional and REZ planning. We have observed that the objective of the national framework is to maximise economic net benefits in the energy market considering legislated targets and policies. Greater jurisdictional interconnection can achieve this outcome, but it can conflict with REZ planning within states and territories. This can lead to challenges in determining the optimal development path between state and national jurisdictions.
- Providing clarity over the roles and responsibilities of the respective parties involved in transmission planning. Transgrid views the current participants as each having a significant role in transmission planning in all future options considered by the Panel. It would, however, be helpful to clarify and streamline overlapping responsibilities and remove unnecessary duplication and the commensurate cost to consumers.
- We understand the Panel is considering current and proposed transmission planning arrangements in Victoria, Queensland and the United Kingdom. It is important to note that the NSW situation is very different to each of these jurisdictions and direct application of models in other jurisdictions may not be appropriate. For example, NSW is at the centre of the NEM and therefore must carefully balance requirements to plan and operate an increasingly interconnected transmission backbone with the local REZ infrastructure needed to achieve NSW and National energy policy objectives.

As discussed in our recent meeting, Transgrid welcomes the opportunity to participate in the ongoing engagement process as part of this review and to working with the NSW Government to provide improved outcomes for consumers.

If you or your staff require any further information, please contact Joshua Everson, Senior Manager Regulation, Policy and Advocacy at joshua.everson@transgrid.com.au.

Yours faithfully



Maryanne Graham
Executive General Manager - Stakeholder, Regulatory and Corporate Affairs