

25 July 2025

Mr Richard Owens
Review lead
NSW Transmission Planning Review

Email: transmissionplanningreview@dcceew.nsw.gov.au

Dear Richard,

New South Wales (NSW) Transmission Planning Review – Interim Report

Energy Networks Australia (ENA) welcomes the opportunity to make this submission in response to the NSW Transmission Planning Review's Interim Report.

ENA represents Australia's electricity transmission and distribution and gas distribution networks. Our members provide more than 16 million electricity and gas connections to almost every home and business in Australia. This submission is made on behalf of ENA's electricity transmission members.

ENA recognises that many of the issues and associated recommendations in the Interim Report reflect the unique transmission planning arrangements in place in NSW and its specific circumstances. Our submission is focused on issues that may have implications for the national framework and transmission planning frameworks more generally, as well as those where existing arrangements provide valuable insights into the issues being considered by the Review Panel. Any changes need to consider energy affordability, reliability, security and the total system costs to consumers.

In summary, ENA:

- agrees that meaningful engagement with affected stakeholders, including local communities and electricity consumers, is essential for effective transmission planning and to ensure that plans can be implemented in a way that maintains community support for the energy transition;
- supports the need to address coordination challenges between state and national planning framework, since these frameworks need to work together cohesively with clear roles and responsibilities to deliver an efficient energy transition;
- welcomes further clarification of the scope of 'strategic projects' and agrees that incumbent TNSPs should remain responsible for business-as-usual network planning and investment decisions and system operations, reflecting the deep experience, local knowledge and technical expertise of our members;
- supports a clear separation of policy and rule-making powers from transmission planning to promote effective governance arrangements, particularly where decisions are required that affect the roles and responsibilities of the parties involved in transmission planning; and
- supports timely implementation of reforms so as to avoid delays to projects that are critical to the energy transition.

ENA provides further detail on each of the above points in Attachment 1.

ENA looks forward to working with the review team as it finalises its advice to the NSW Minister for Energy. In the meantime, if you would like to discuss this submission, please contact Verity Watson (vwatson@energynetworks.com.au) in the first instance.

Yours sincerely,



Dominique van den Berg
Chief Executive

Attachment 1

1. Meaningful engagement with affected stakeholders is essential

ENA agrees with the commentary in the Interim Report that meaningful engagement with affected stakeholders, including local communities and electricity consumers, is essential for effective transmission planning and development and to ensure that plans can be implemented in a way that maintains community support for the energy transition.

Our electricity transmission members are focused on delivering ISP projects, REZ projects and other major transmission upgrades that are urgently needed to facilitate the energy transition that is central to Australia's carbon reduction commitments. Our members have first-hand experience of how open and genuine engagement is critical to building and maintaining the necessary trust with communities, landholders and electricity consumers to support these projects.

ENA is therefore supportive of the intent underpinning recommendations C.1 and C.2. In particular, ENA supports strengthening engagement, transparency and governance of transmission planning because this will promote the perspectives of all affected stakeholders being brought to bear on network investment decisions.

2. An efficient transition requires state and national frameworks to work together cohesively

ENA supports the need to address coordination challenges between state and the national planning framework. It is critical that the various transmission planning frameworks in the NEM can work together cohesively so that the energy transition can be delivered in a timely and efficient manner. This is particularly important in the context of interconnectors because they affect multiple jurisdictions and therefore require a coordinated approach.

Clear roles and responsibilities of the parties involved in transmission planning are critical to the effective coordination of state and national frameworks. Enhancing clarity with respect to roles and responsibilities provides an opportunity to streamline overlapping responsibilities and remove unnecessary duplication. It also provides a means of ensuring that the interaction between state and the national framework does not lead to accountability gaps that could compromise system reliability and security and, where any such gaps exist, that they can be appropriately addressed.

ENA is therefore supportive of the intent of recommendations A.3, A.7, B.3 and B.4 in that they promote greater clarity, consistency and coordination between state and national frameworks in relation to transmission planning. However, ENA notes that it is important to balance the need for clarity – such as through prescription – with sufficient flexibility in decision making such that urgent investment needs can be adequately catered for between state and national frameworks.

3. Existing network businesses are best placed to undertake business-as-usual network planning and investment

ENA welcomes the Review Panel's clarification as to the scope of 'strategic projects' in the context of the NSW framework and its particular circumstances, ie, REZ and priority projects, ISP projects and other strategic projects. We also note the commentary in the Interim Report that EnergyCo should consult on this issue. ENA supports such clarification because it is necessary for stakeholders to both

understand the implications of the draft recommendations and to engage in the relevant planning process effectively.

ENA also welcomes the acknowledgement in the Interim Report that the planning of individual transmission and distribution networks and other investments that primarily service local network reliability and customer connection requirements would remain the responsibility of individual networks service providers. ENA supports incumbent TNSPs retaining responsibility for business-as-usual planning and investment decisions and system operations. This reflects the deep experience, local knowledge and technical expertise of our members and their accountabilities for network service outcomes.

4. Clear separation of powers supports effective governance

ENA acknowledges the commentary in the Interim Report regarding the need for a clear separation of powers and roles, particularly in circumstances where policy decisions affect the roles, responsibilities and rules that an industry participant operates under. A clear separation of powers is critical for effective governance and accountability and has been a foundational aspect of the NEM since its establishment.

Some of the draft recommendations in the Interim Report are inconsistent with an appropriate separation of powers. Specifically:

- recommendation A.7 relates to clarifying which projects should be planned and approved under the EII Act instead of the NER, with the criteria to be set out in a guideline developed by EnergyCo; and
- recommendation A.8 relates to clarifying which projects should be procured contestably, with the criteria also to be set out in a guideline developed by EnergyCo.

The scope of these recommendations appears to relate to when EnergyCo's roles and responsibilities would be enlivened for a particular project in relation to these separate questions. However, under the draft recommendation, those circumstances would be determined by EnergyCo itself. We recommend that the Review Panel implement best practice governance arrangements and have these guidelines made by an appropriately qualified independent party. This could include through amendment of the EII Regulations consistent with recommendation A5.

In relation to recommendation A.7, we consider that irrespective of the mechanism for clarifying which framework is to be used, there should be sufficient flexibility to allow critical projects required for the energy transition to be pursued under the most appropriate regulatory regime.

5. Timely reform is critical for the transition

ENA notes the proposed timelines for the reforms set out in the Interim Report. ENA supports timely reform so as to not delay investment by creating uncertainty or disrupting existing planning processes for critical in flight projects. For the proposed timelines to be realised it will be important that there is a timely consideration by the Minister of the recommendations and adequate resourcing and prioritisation of the necessary reforms. ENA also notes that various recommendations will involve separate review and consultation processes and will continue to monitor and engage in these as required.