

## Penny Sharpe

Minister for Climate Change, Minister for Energy  
Minister for the Environment, Minister for Heritage  
Leader of the Government in the Legislative Council



## Media Release

# NSW Government welcomes ongoing market interest in Electricity Infrastructure Roadmap tenders

Thursday, 12 September 2024

Interest from industry in being part of the transition to renewable energy in NSW has been reaffirmed, with an impressive response to the first tender for access rights for the South West Renewable Energy Zone (REZ) under the NSW Electricity Infrastructure Roadmap.

The tender offers renewable generation and storage projects in the South West REZ the opportunity to progress their connection to the electricity grid. AEMO Services received bids from projects representing more than 15 gigawatts of wind, solar and battery capacity. This represents almost four times the capacity of 3.98 gigawatts available through the tender.

The strong competition for access rights in the South West REZ will help identify the projects that can be operational in the shortest timeframe, in the best financial interest for NSW electricity consumers delivered in a way that best supports local communities.

Projects that are awarded access rights will pay access fees, which will contribute millions of dollars to the local community through the Community and Employment Benefit Program.

Interest has also been high in long-duration storage projects, with proposals in response to the tender totalling more than twice the indicative target of 1 gigawatt.

Long-duration storage holds excess available energy and releases it over a period of 8 hours or more when required.

These projects help smooth renewable energy supply and ensure a reliable source of electricity when the sun doesn't shine or the wind doesn't blow.

The tender was conducted by AEMO Services as Consumer Trustee under the NSW Electricity Infrastructure Roadmap. EnergyCo, as the administrator of the South West REZ access scheme will award the access rights in early 2025, on the recommendation of the Consumer Trustee.

### **Quote attributable to Minister for Climate Change and Energy Penny Sharpe:**

"The very strong interest in this tender shows that NSW continues to be a leader in Australia's energy transition and a highly attractive destination for investment in renewables.

"The interest means that the best projects can be chosen to provide NSW with affordable, clean and reliable energy."

### **About the Electricity Infrastructure Roadmap**

The Electricity Infrastructure Roadmap is NSW's pathway to powering the state with affordable, clean and reliable energy. It sets out how we are going to transition the electricity network to one that will keep the lights on and put downward pressure on energy prices for years to come. The

Roadmap will support the delivery of at least 12 gigawatts of new renewable energy generation and 2 gigawatts of long-duration storage by 2030.

### **About AEMO Services**

AEMO Services, as Consumer Trustee under the Roadmap, has a legislated mandate from the NSW Government to support the delivery of the state's energy transition in a way that prioritises the long-term financial interests of NSW electricity consumers. The organisation is responsible for planning and coordinating the state's investment in new energy infrastructure and conducting tenders to help fast-track project plans into built generation, storage and firming infrastructure.

### **About EnergyCo**

The Energy Corporation of NSW (EnergyCo) leads the design, delivery and coordination of Renewable Energy Zones and priority transmission in a way that benefits consumers, investors and regional communities. This includes new network infrastructure required to connect generation projects within each Renewable Energy Zone with the electricity grid.

### **What are access rights?**

Access rights enable wind, solar and storage projects within a Renewable Energy Zone to progress their connection to the grid. Access rights give confidence to investors and host communities by setting a limit on the amount of electricity generation and number of storage projects that can connect to network infrastructure in a REZ. Projects that are awarded access rights will pay fees which will contribute to local community and employment benefits within the REZ.

### **What is 'long-duration storage'?**

Long-duration storage is any type of technology that can store electricity and then release it over a period of 8 hours or more. Long-duration storage will support our shift to renewable energy by making sure we have a reliable supply of electricity available during periods when the sun doesn't shine, for example overnight, or when the wind doesn't blow. Examples of long-duration storage technologies include batteries, pumped hydro and compressed air.

The NSW Electricity Infrastructure Roadmap sets a minimum objective of 2 gigawatts of long-duration storage by 2030.

### **About South West REZ Capacity**

The South West REZ has an intended network capacity of 2.5 gigawatts. An initial allocation of 3.98 gigawatts is available through this tender because wind, solar and battery projects can operate at different times of the day and don't all export energy at exactly the same time.

Following the conclusion of the first access rights tender, EnergyCo will assess whether further generation capacity beyond the initial 3.98 gigawatts can be made available in future tenders within the access scheme guidelines.

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