Hunter-Central Coast Renewable Energy Zone -Generation and Storage Consultation Paper

July 2026

Acknowledgement of Country

The Energy Corporation of New South Wales acknowledges that it stands on Aboriginal land. We acknowledge the Traditional Custodians of the land and we show our respect for Elders past and present through thoughtful and collaborative approaches to our work, seeking to demonstrate our ongoing commitment to providing places in which Aboriginal people are included socially, culturally and economically.

Published by the Energy Corporation of New South Wales

energyco.nsw.gov.au

Hunter-Central Coast Renewable Energy Zone Generation and Storage Consultation Paper

First published: July 2026

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1 Introduction

1.1 Overview

Renewable energy zones (REZ) are designed to function as modern-day power stations. REZs bring together large-scale renewable energy generation projects, storage projects and network infrastructure to provide affordable, clean and reliable electricity to homes and businesses in NSW.

The Hunter-Central Coast REZ is the first distribution network-focused REZ to be developed in NSW under the NSW Electricity Infrastructure Roadmap (the Roadmap). The REZ encompasses regions that have historically played a critical role in the NSW electricity system. Through upgrades to the network as well as coordination of generation and storage development, the Hunter-Central Coast REZ will ensure the regions continue to play a critical role in the State's electricity system into the future.

EnergyCo has been appointed as the Infrastructure Planner for the Hunter-Central Coast REZ and is responsible for coordinating the delivery of network upgrades, generation and storage in the REZ and facilitating a centralised approach to supporting communities in the region.

1.2 Purpose of the consultation paper

EnergyCo and the NSW Government are committed to early and genuine consultation with industry, local communities and the public as we progress the development of an access scheme for the Hunter-Central Coast REZ. We are seeking initial feedback on the approaches to an access scheme under consideration, so that we develop an access scheme which is fit-for-purpose in the unique context of the Hunter and Central Coast regions.

In developing the approaches under consideration, we consulted with relevant network operators, the Australian Energy Market Operator (AEMO), AusEnergy Services Ltd (ASL), the Scheme Financial Vehicle (SFV), the NSW Department of Climate Change, Energy, the Environment and Water (DCCEEW), generation and storage projects (Projects) and other key stakeholders.

This paper does not cover policy options regarding:

- Community and employment benefits programs;
- Access fees;
- Interaction between the access scheme and Long-Term Energy Service agreements, Capacity Investment Scheme agreements or the proposed Electricity Services Entry Mechanism.

The matters not covered in this paper may be subject to separate consultation processes.

1.3 Providing your feedback

You are invited to provide feedback on this consultation paper, which will inform a recommendation to the Minister. Throughout the paper, 'Have your say' call-out boxes highlight key questions and areas where feedback is sought.

You do not need to respond to every question, only those relevant to you or your organisation. Feedback can be submitted using the online Submission Form or by emailing your response directly.

Please send your submission to hunter-centralcoast.access@energyco.nsw.gov.au with 'Your Name – Hunter-Central Coast REZ Generation and Storage Consultation Paper' in the subject line.[1]

If the Minister supports the recommended approach following this initial consultation, a draft Access Scheme Declaration will be published for further consultation in Q3 2026. This draft Access Scheme Declaration will be accompanied by a position paper, providing stakeholders with a further opportunity to review the proposed approach and provide feedback.

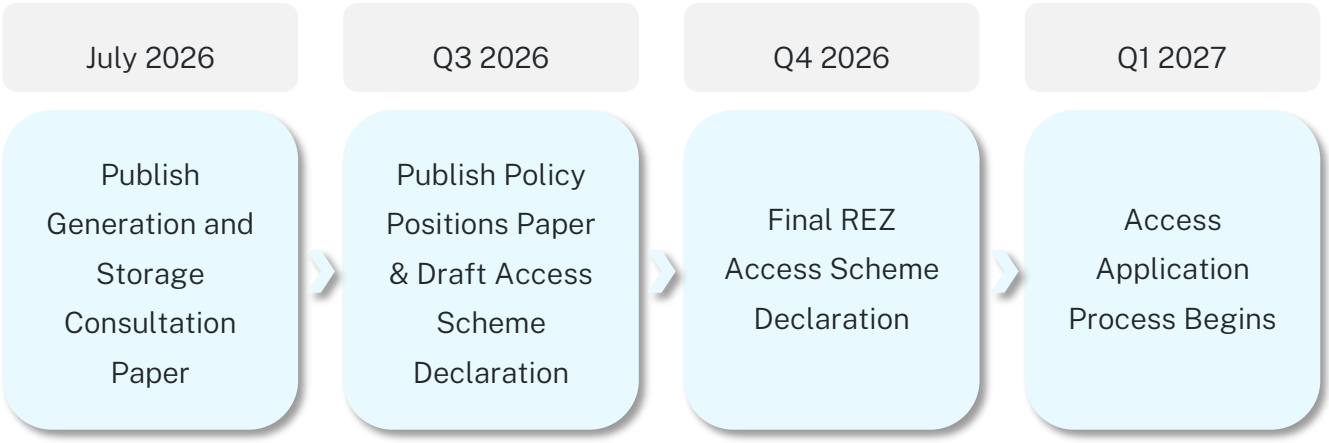
Consultation on this draft Access Scheme Declaration will inform the Minister's decision on whether an access scheme will go ahead, and if so, what it will look like. If the Minister makes the decision to adopt a Hunter-Central Coast REZ Access Scheme it is expected to be formally declared by the Minister in Q4 2026.

EnergyCo will continue to engage with and seek input from stakeholders as we work through detailed policy design for each of the key areas identified in this paper.

1.4 Next steps

Feedback received on this consultation paper will inform the draft Hunter-Central Coast REZ Access Scheme design we develop and recommend to the NSW Minister for Energy.

1.4.1 Indicative timeline for the access scheme[2]



[2] Indicative timeline should an access scheme be progressed. Note this is subject to change.

2 Background and context

2.1 The Hunter-Central Coast REZ

The Hunter-Central Coast REZ is located on the NSW Central Coast and Hunter regions, on the lands of the Awabakal, Bahtabah, Biraban, Darkinjung, Mindaribba, Wanaruah and Worimi people. The REZ is situated within the local government areas of Upper Hunter Shire Council, Muswellbrook Shire Council, Dungog Shire Council, Singleton Council, Cessnock City Council, Maitland City Council, Port Stephens Council, Newcastle City Council, Central Coast Council and Lake Macquarie City Council.

EnergyCo is committed to developing the Hunter-Central Coast REZ in collaboration with local communities, seeking to support the regions by attracting investment and providing long-term benefits. The NSW Government and EnergyCo are committed to ensuring the REZ provides social and economic benefits for local and First Nations communities, in line with the NSW Renewable Energy Sector Board Plan[3] and the Hunter-Central Coast First Nations Guidelines.[4]

The REZ is already home to several large power stations and existing transmission and distribution network infrastructure, which play and will continue to play an important role in supplying electricity to local homes, industries, and electricity demand centres across the state. As the legacy coal power stations in the region near retirement, there is an opportunity to replace this capacity with clean wind and solar energy as well as storage.

The Hunter-Central Coast REZ provides developers an opportunity to locate their projects near some of NSW's largest population centres with strong existing network connection into these regions. The Hunter-Central Coast REZ is also well-located to leverage major port and road infrastructure and the region's existing skilled local workforce, reducing some of the hurdles to constructing and operating large new energy projects.

The Hunter-Central Coast REZ will be the first distribution network-focused REZ.[5]

In December 2024, EnergyCo recommended Ausgrid as the preferred network operator to

[3] https://www.energy.nsw.gov.au/nsw-plans-and-progress/major-state-projects/electricity-infrastructure-roadmap/roadmap-entities/sector-board

[4] https://www.energy.nsw.gov.au/sites/default/files/2024-05/NSW_Hunter-Central_Coast_First_Nations_Guidelines_May_2024.pdf

[5] The NSW Government published the Hunter-Central Coast REZ Declaration on 9 December 2022, specifying the REZ scope and identifying EnergyCo as Infrastructure Planner for the REZ: https://gazette.nsw.gov.au/gazette/2022/12/2022-569.pdf

deliver upgrades to network infrastructure in the REZ - the Hunter-Central Coast REZ Network Infrastructure Project (RNIP)[6] following a competitive tender process, and authorisation of the RNIP and network operator by ASL in its capacity as the Consumer Trustee. Ausgrid is a distribution network company which builds, maintains and operates the existing distribution network across sections of Sydney and the Hunter region, serving electricity to around 1.8 million customers. Section 3.2.3 provides more detail on the Hunter-Central Coast RNIP.

[6] The Hunter-Central Coast REZ Network Infrastructure Project was formally authorised by ASL, in its capacity as the Consumer Trustee, in April 2025: https://gazette.nsw.gov.au/gazette/2022/12/2022-569.pdf

Figure 1 – Indicative Hunter-Central Coast REZ network (132 kV and above) and surrounding region

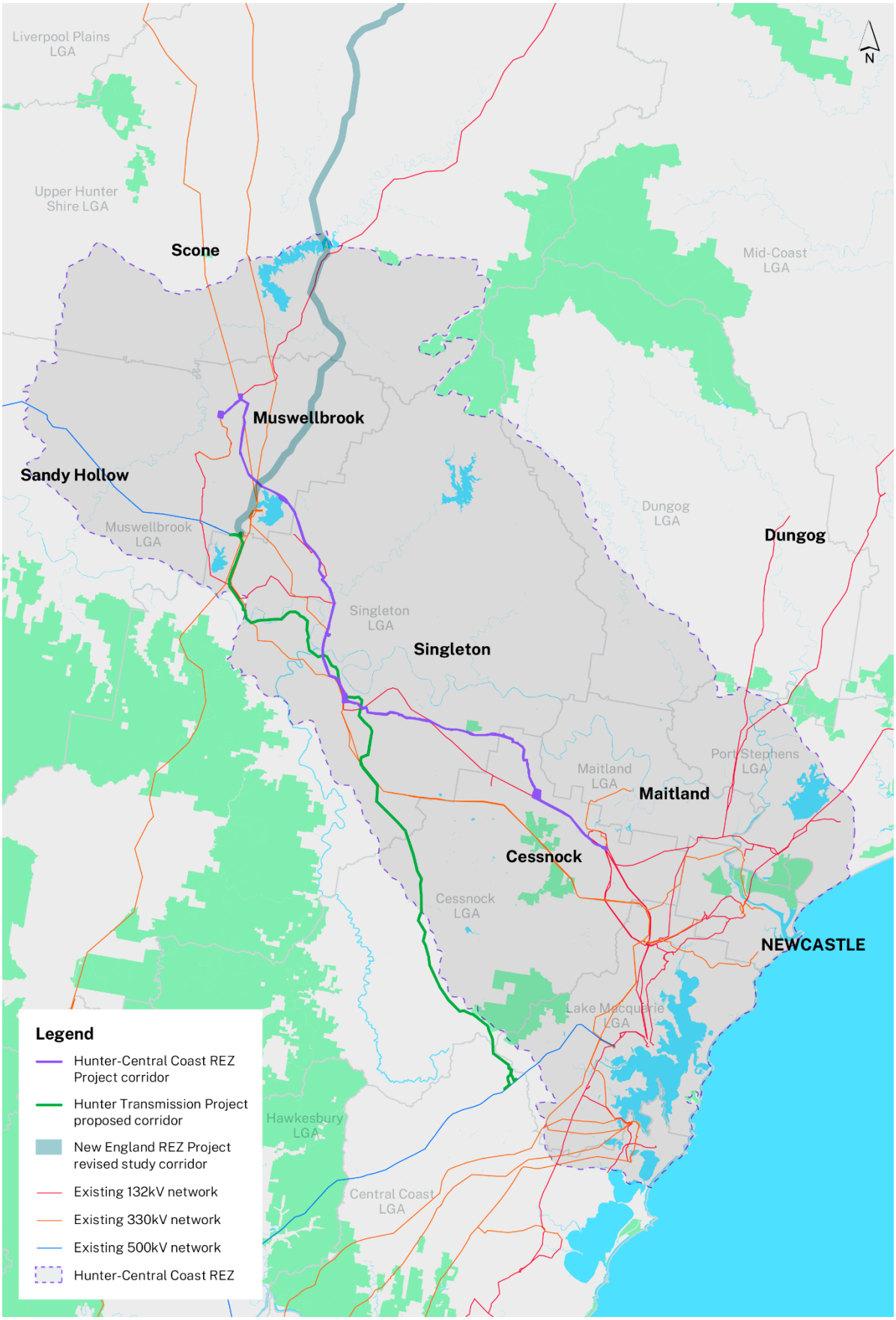
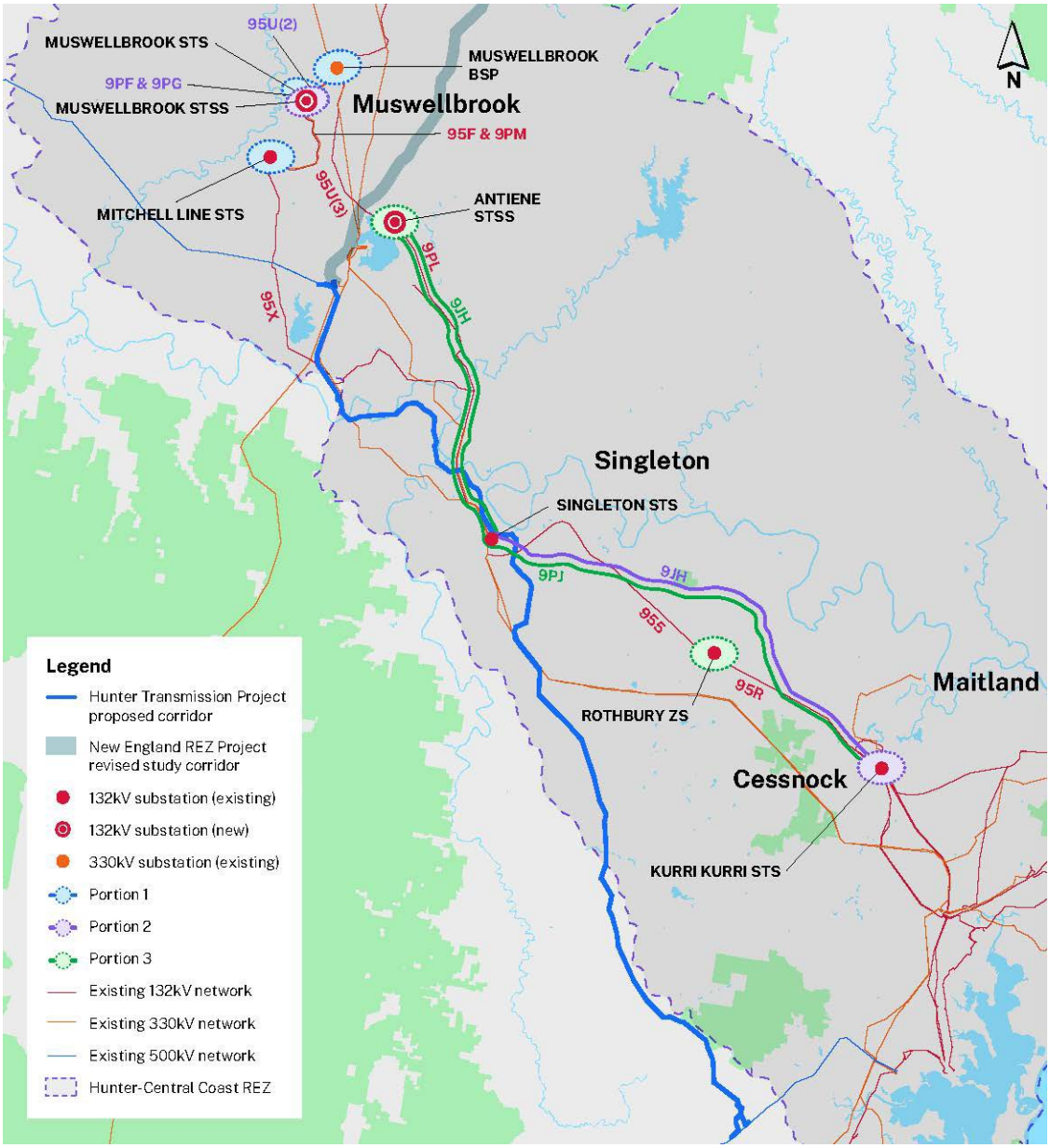


Figure 2 – Hunter-Central Coast REZ Network Infrastructure Project



2.2 Hunter-Central Coast network infrastructure

2.2.1 Existing Network Infrastructure

There is a substantial amount of existing network infrastructure in the Hunter-Central Coast REZ. This includes existing distribution network infrastructure operating at voltages of 33 kV, 66 kV and 132 kV, primarily operated by Ausgrid, as well as transmission network infrastructure operating at voltages of 330 kV and 500 kV operated by Transgrid. The Hunter-Central Coast REZ area also captures some distribution network infrastructure owned and operated by Essential Energy.

The existing network in the Hunter-Central Coast REZ is highly 'meshed', meaning that various lines in the region intersect and cross-over. A meshed network structure means the flow of power over the network is more complex as there are various routes for generated energy to flow to electricity consumers.

Meshing can make the network more resilient as it introduces multiple alternative routes for power flow and so is less impacted by technical issues such as constraints or line outages on individual lines. However, it also makes it more complex to forecast power flows or attribute use of particular lines to particular projects.

2.2.2 Upgraded REZ Network Infrastructure

The Hunter-Central Coast RNIP involves the construction and operation of upgrades to the Ausgrid network in the REZ to provide an additional 1 GW of network transfer capacity and enable the connection of around 1.8 GW of new renewable energy generation and storage projects. The upgrades consist of several complementary components expected to be completed by 2028.

The network upgrades are:

- two new energy hubs (substations) and upgrades to two existing substations
- 85 km of upgraded powerlines
- other minor augmentations to existing infrastructure.

The Hunter-Central Coast RNIP will integrate directly with the existing Ausgrid distribution network, increasing transfer capacity at multiple points – primarily Muswellbrook sub-transmission Substation, Muswellbrook Bulk Supply Point, the Mitchell Line sub-transmission substation, and the Kurri sub-transmission substation - while also connecting upstream to the Transgrid operated transmission network.

2.2.3 Other network projects in the region

Hunter Transmission Project

The Hunter Transmission Project, which forms part of the broader Sydney-Ring network upgrades, involves building a new 110 km, 500 kV transmission line between Bayswater in the Upper Hunter and Olney in the Lower Hunter. This project will help to create a ring of 500 kV transmission infrastructure to provide the backbone of the state's new electricity grid for generations to come.

While the Hunter Transmission Project is located largely in the Hunter-Central Coast REZ region, this project is not part of the declared Hunter-Central Coast REZ. The primary role of the Hunter Transmission Project is to help to connect the REZs further north and west to the major cities in the state, ensuring that the generation in New England

REZ and the Central-West Orana REZ can reach electricity consumers. As such, the Hunter Transmission Project has not been designed to accommodate generator connections.

The Hunter Transmission Project will not be covered by the proposed Access Scheme. This will be revisited in the future if circumstances change.

New England REZ Network

The development of the New England REZ includes proposed new transmission network infrastructure which will connect the New England region to the Hunter region (the proposed New England RNIP). Although the southern section of this project will be located in the Hunter-Central Coast REZ geographical area, it is proposed that the New England RNIP will be subject to the proposed New England REZ Access Scheme. This is because projects connecting to the proposed New England RNIP (wherever located) will utilise the additional network capacity to be delivered by the project, impacting the capacity available for allocation as access rights under the proposed New England REZ Access Scheme. This proposed approach has been considered in the New England REZ Generation and Storage Paper (2025). More information is available here: https://www.energyco.nsw.gov.au/industry/access-schemes/new-england-rez-access-scheme

2.3 Existing and proposed generation and storage projects in the Hunter-Central Coast REZ

The Hunter-Central Coast region already hosts 10.1 GW of installed generation and storage capacity, including three of the four remaining NSW coal-fired power stations (Eraring, Bayswater and Vales Point B) and the three largest battery projects currently in commissioning and operation in NSW (Eraring Stage 1, Liddell and Waratah Super Battery).

As coal-fired power stations retire over the coming decade, this capacity is expected to be replaced by renewable energy generation supported by a substantial amount of storage. EnergyCo analysis suggests a further 1 GW of generation (wind and solar) and 1.8 GW of storage (batteries) may seek connection to the Ausgrid network within the REZ geographical area, and a further 12 GW of storage (batteries and pumped hydro) may seek connection to the Transgrid network. It's possible that not all these projects will proceed; however, the high level of interest reinforces the value of an access scheme that coordinates generation, storage and network infrastructure while providing community and employment benefits.

Our analysis indicates that approximately 1 GW of generation and 1.4 GW of storage projects that have expressed interest in connecting to network infrastructure in the

REZ will benefit from the additional network capacity to be delivered by the Hunter-Central Coast RNIP.

2.3.1 Large load in the region

The Hunter-Central Coast REZ region has traditionally hosted significant large industrial load (sites with high electricity use), including Australia's largest aluminium smelter. The REZ geographical area also encompasses Newcastle, which is the second largest city in NSW after Sydney. As new industries emerge and expand, the REZ is expected to continue to play an important role in hosting large load due to its proximity to Sydney and access to port infrastructure.

The Hunter-Central Coast REZ Access Scheme is currently proposed to control the connection of generation and storage projects only and is not proposed to control load connections in the Hunter-Central Coast REZ.

3 Developing an access scheme

3.1 Proposed access scheme purpose and scope

3.1.1 Introduction

Access schemes coordinate investment in energy infrastructure by managing access to and use of specific network infrastructure by network, generation and storage operators.[7] Access schemes are fundamental to realising the objectives of the Roadmap, including encouraging investment in new generation and storage by reducing risk for investors, and fostering local community support.

EnergyCo is proposing to recommend that the Minister declare an access scheme in the Hunter-Central Coast REZ. While this REZ does not currently involve the development of new network infrastructure at the scale seen in other NSW REZs, **an access scheme is being considered as a tool for coordination, ensuring consistency in how projects are treated in the REZ and consistency in how they engage with and share benefits with communities in the region.**

Sharing the benefits of the energy transition with communities and workers

Having an access scheme is an opportunity to ensure projects are meeting consistently high standards in terms of how they engage with local communities and conduct their operations. Further, access schemes offer a means to recover funds for community and employment purposes by connecting projects through access fees. These funds are then administered by EnergyCo to deliver programs for community and employment purposes, including the Community and Employment Benefit Program. These contributions help to deliver lasting benefits that support long-term regional prosperity alongside renewable energy development.

Benefits for connecting generation and storage projects

Access schemes likewise benefit connecting projects by helping to create more certainty and to reduce risks for developers and investors. For example, providing increased assurance of expected curtailment levels to projects, or reducing the risk of a neighbouring project undermining community support for renewable energy in the region.

[7] EII Act, s 24(2)(a).

3.1.2 Objectives of the Hunter-Central Coast REZ Access Scheme

Access schemes must be consistent with the objects of the *Electricity Infrastructure Investment Act 2020*[8] which include fostering local support for new electricity infrastructure, improving the affordability, reliability, security and sustainability of electricity supply, and reducing risk for investors.

Reflecting these overarching objectives and the unique characteristics of the Hunter-Central Coast REZ, the objectives of the NSW Roadmap, and the role of access schemes, EnergyCo is developing the Hunter-Central Coast REZ Access Scheme in line with the following objectives:

- **Objective 1:** Introducing consistent requirements on projects connecting to network infrastructure in the REZ to meet high standards, particularly in their approach to community engagement;
- **Objective 2:** Requiring all projects connecting to network infrastructure in the REZ to help fund centrally-coordinated community and employment benefit programs for the benefit of communities in and near the REZ;
- **Objective 3:** Establishing an early contractual relationship between EnergyCo and projects in the REZ, facilitating the sharing of information;
- **Objective 4:** Supporting timely generation and storage development to contribute to 2030 targets and support reliability.
- **Objective 5:** Minimising administration requirements and costs of the access scheme for generation and storage projects seeking to locate in the REZ and for EnergyCo.

We will need to balance each of these objectives as we progress the access scheme design.

By delivering these objectives, an access scheme is expected to provide benefits to consumers, host communities, projects and investors.

Community focus

The objectives of the Hunter-Central Coast REZ Access Scheme are designed to put community outcomes at the forefront of our scheme design, recognising that this approach can benefit both communities and the projects seeking to connect in the REZ, now and into the future.

[8] Objects of the EII Act, as listed at EII Act s3(1)

3.1.3 Applying a whole-of-REZ approach to the Hunter-Central Coast REZ Access Scheme

We are considering applying the access scheme to all high voltage network infrastructure (132 kV and above) in the Hunter-Central Coast REZ geographical area, with some proposed exceptions (see section 2.2.3). This is different from the approach adopted to date in other NSW REZs where access schemes have only been applied to new network infrastructure.

Applying an access scheme across the whole REZ geographical area rather than just on a subset of the network in the REZ will mean that all new projects connecting at 132 kV and above will contribute to the same coordinated community benefit sharing program and be held to the same standards of community engagement. The introduction of the access scheme on this basis will enable EnergyCo to have oversight and coordination of all major projects connecting in the REZ.

While the Hunter-Central Coast is the first REZ for which we are consulting on a broader, REZ-wide, application of an access scheme, the NSW Government is shifting towards this model as a preferred approach to meet the needs of projects and communities, and it is likely that this approach will be extended to other REZs.

What does this mean for communities?

Applying an access scheme across the whole Hunter-Central Coast REZ is expected to benefit communities in this region by ensuring that, irrespective of which power line they are connecting to, all major projects are:

- subject to the same checks,
- signing up to the same commitments to do the right thing, and
- contributing to the same benefit-sharing scheme,

Importantly, there is no immediate impact on communities. We are consulting on this policy now, and we will continue to consult with communities through this process.

Have your say

Question 1: What are your views on the value of applying an access scheme on network infrastructure across the Hunter-Central Coast REZ rather than only on new or augmented network infrastructure?

Question 2: For communities, what are your views on ensuring the access scheme captures all large project developments in the REZ, holding them all to the same set of requirements including commitments in the Renewable Energy Sector Board Plan?[9]

Question 3: For project developers, how would an access scheme and associated access fees impact your project?

Network element within the Hunter-Central Coast REZ geographical area	Potential inclusion in access scheme
Hunter-Central Coast RNIP	Entirely included
500 kV network	Included except for Hunter Transmission Project and any part of the proposed New England RNIP within the proposed Hunter-Central Coast REZ geographical area
330 kV network	Entirely included
132 kV network	Entirely included
66 kV and below network	Excluded

3.1.4 Network scope

The Hunter-Central Coast REZ Access Scheme is proposed to apply to all high voltage network infrastructure in the REZ geographical area that operates at nominal voltages of 132 kV or above, other than the Hunter Transmission Project and any part of the proposed New England RNIP within the REZ geographical area. This includes existing and new Ausgrid, Transgrid and Essential Energy network infrastructure in the REZ

[9] https://www.energy.nsw.gov.au/sites/default/files/2022-09/nsw-renewable-energy-sector-board-plan.pdf

geographical area.

If network infrastructure forms part of the Access Scheme Network, EnergyCo can control generation and storage connections to that network. As described in Section 4.2, below, there are different options for how EnergyCo can implement and control access within an access scheme. The specific Network Elements we propose to define as Access Scheme Network are below.

3.2 Proposed access scheme design

3.2.1 Tools to control access to the Access Scheme Network

An access scheme authorises or prohibits access to, and use of, specified network infrastructure forming part of a REZ.[10] The proposed scope of the network infrastructure to be covered by the access scheme (the Access Scheme Network) is discussed in section 3.1.4 above. Another key design feature of an access scheme is how access to the Access Scheme Network will be 'controlled'.

An access scheme can include one or both of the following 'tools' for controlling access to the Access Scheme Network: **Access Rights Regime** and **Access Control Mechanism**.

- **Access Rights Regime**: Projects are required to hold an Access Right before they can apply to connect to the network. The total capacity of Access Rights is capped meaning only a limited capacity of projects can connect and export to the grid, providing greater certainty to connecting projects of curtailment risk.
- **Access Control Mechanism**: Projects are required to receive consent from EnergyCo before they can apply to connect to the network. Connection to the Access Control Network will not be capped, and so there is no limit to the capacity of projects for which access consent can be granted.

An Access Rights Regime and an Access Control Mechanism can be applied to different elements of network infrastructure in the same REZ but cannot be applied to the same network infrastructure.

Currently, EnergyCo is considering two different options for the Hunter-Central Coast Access Scheme. The decision on

[10] EII Act, s 24(2)(a).

whether to adopt Option 1 or Option 2 to control network access will be informed by the feedback received through this consultation process as well as additional analysis and design work, including further power flow analysis which is currently underway.

Option 1: Access Rights and Access Control	Option 2: Access Control only
• Projects require **Access Rights to apply for connection to the network augmented as part of the Hunter Central Coast RNIP** and other parts of the Access Scheme Network materially benefiting from this infrastructure; and • Projects require consent from EnergyCo to apply for connection to any other part of the Access Scheme Network.	• Projects require consent from EnergyCo to apply for connection to any part of the Access Scheme Network, including network infrastructure augmented by the Hunter Central Coast RNIP.

Changes to how we're thinking about Access Control

The proposed introduction of an Access Control Mechanism in the Hunter-Central Coast REZ – as proposed in both Option 1 (for some of the network) and Option 2 (for all of the network) - is being considered for a different purpose to that consulted on in the *New England REZ Generation and Storage Consultation Paper* in August last year.

In the New England REZ consultation paper, an Access Control Mechanism was proposed for the purpose of protecting access rights holders from additional curtailment by introducing a grid impact assessment for nearby projects.

For the Hunter-Central Coast REZ, an Access Control Mechanism is not proposed to manage the impact of projects on the curtailment experience of access right holders. It has been designed first and foremost to ensure consistency in the way projects engage with and support communities within the REZ geographical area. It is proposed to introduce a light-touch control of access only, ensuring that all projects seeking connection to the Access Scheme Network are assessed by EnergyCo as meeting eligibility requirements related to community

engagement and development activities (not grid impact requirements) before they are permitted to connect to the Access Control Network. Importantly, there is no proposal to use the Access Control Mechanism is not proposed to introduce a cap on the volume of connecting projects. The different ways that Access Control Mechanisms can be used within NSW REZ Access Schemes are described in the *Guidelines for Access Scheme Declarations.*[11]

Have your say

Question 4: What are you views on the two access scheme options under consideration for the Hunter-Central Coast REZ and the relative merits of Option 1 (Access Rights Regime and Access Control Mechanism) and Option 2 (Access Control Mechanism only)?

3.2.2 Access Rights Regime

Eligible projects

Large renewable generation and storage projects which are fully or partially located within a REZ geographical area (at least 50% of project site), seeking to connect with a maximum export capacity of at least 30 MW for generation or at least 5 MW for standalone storage, and seeking connection to the Access Rights Network, would be eligible to apply for Access Rights.

Exempt projects

Transitional arrangements would exempt projects well progressed in the connection process from the Access Rights Regime (see Section 3.3).

Note that the Access Rights Regime is not proposed to include an exemption for smaller projects. In practice, this means that projects which do not meet the eligible export capacity threshold will not be able to apply for access rights or connect to this network. This approach is required to maintain the value of capped connections to the Access Rights Network.

Key features of the Access Rights Regime

Consistent with access schemes in other REZs, projects would be required to hold Access Rights to apply for connection to the Access Rights Network.

A key feature of an Access Rights Regime, compared to an Access Control Mechanism, is that the volume of export capacity made available for allocation to projects under Access Rights is capped by reference to the network capacity of the Access Rights Network.

The cap on the capacity of physical connections is intended to provide greater

[11] https://www.energy.nsw.gov.au/sites/default/files/2026-05/Guidelines-for-Access-Scheme-Declarations.pdf

certainty for connecting projects and their investors than they would have elsewhere in the network by providing more clarity around the volume of neighbouring connections and therefore potential technical curtailment. It may also give communities an indication of how much generation and storage development will occur in the region.

Similar how Access Right Regimes have been implemented in other REZs, if an Access Rights Regime is introduced it is proposed that EnergyCo would identify and publish a cap on the total capacity of access rights that can be made available to projects connecting to this part of the network. The calculation of this cap would factor in the capacity of projects already operational as well as exempt projects, to ensure it reflects the additional available network capacity.

The cap may be adjusted upwards over time as further information about the actual operation and utilisation of the network comes to light. For example, the cap may be adjusted over time if the network is assessed as being materially underutilised relative to initial forecasts, for example because the actual capacity profile of access right holders differs from the expected profile.

Under the Central-West Orana REZ and the South West REZ Access Schemes, the initial cap and the methodology for reassessment are informed by a Target Transmission Curtailment Level (TTCL), intended to represent the efficient level of technical curtailment of the Access Rights Network. As outlined in the box below, this approach is not proposed to be adopted for the Hunter-Central Coast REZ Access Scheme. If an Access Rights Regime is introduced, EnergyCo will engage with stakeholders on the development of a suitable methodology for the ongoing assessment of network utilisation and potential adjustment of the cap. This is expected to be an important design feature in this Hunter-Central Coast REZ given the potential for large load connections, which could impact power flows and network utilisation in the region.

It is not proposed to control load connections in the Hunter-Central Coast REZ using an Access Rights Regime.

Why aren't we proposing a target curtailment level for this REZ

Every REZ in NSW is different and EnergyCo is developing each access scheme to be fit-for-purpose for the unique characteristics and requirements of the REZ in which it will apply.

For each of the Central-West Orana REZ and South-West REZ, EnergyCo has published Target Transmission Curtailment Limits (TTCLs) which represent the targeted efficient REZ-wide level of technical curtailment. This is used to assess the volume of connection capacity to be made available on the relevant Access Rights Network. These targets, defined as percentages, were used to determine the initial volume of access rights made available under each of these access schemes and will also be used to assess any increases in the Aggregate Maximum Capacity Cap (AMCC) over time, informing future access rights allocations.

EnergyCo is not proposing to publish a TTCL (or a Target Distribution Curtailment Level (TDCL)) for the Hunter-Central Coast REZ. This is because the highly meshed nature of the Hunter-Central Coast REZ network makes it challenging to set a meaningful curtailment target level and we expect it will be more difficult for generators in this REZ to understand what a REZ-wide target curtailment level means for them than it has been in other REZs.

Rationale

The application of the Access Rights Regime to network infrastructure augmented by the Hunter Central Coast RNIP and potentially to existing lines located in close proximity to the augmented network (as proposed in Option 1) would provide a means to manage how the new REZ network capacity is utilised. Based on EnergyCo's analysis, the proposed lines for inclusion in the Access Rights Regime are those where projects connecting to those lines will most benefit from the new network transfer capacity unlocked by the Hunter Central Coast RNIP.

An Access Rights Regime applied to this augmented network infrastructure could support coordination of new generation and storage investment. By capping the total connections to this part of the network, EnergyCo would be able to provide certainty to Access Right Holders that once the new network capacity is unlocked, the volume of connections will be managed.

3.2.3 Access Control Mechanism

Projects eligible to apply for Access Consent

Large renewable generation and storage projects which are fully or partially (at least 50%) located within a REZ geographical area, seeking to connect with a maximum export capacity of at least 30 MW for generation or at least 5 MW for standalone storage, and seeking connection to the Access Control

Network, would require Access Consent before making an application to connect.

Projects exempt from the requirement for Access Consent

Smaller generation and storage projects which do not meet the eligible export capacity threshold are proposed to be exempt from the Access Control Mechanism. This means these smaller projects would not need consent from EnergyCo before making an application to connect to the Access Control Network.

In addition, transitional arrangements would exempt projects well progressed in the Connections Process from the Access Control Mechanism (see Section 3.3).

Key features of the Access Control Mechanism

There would not be a physical limit placed on connections to the Access Control Network under the access scheme – specifically, no aggregate maximum capacity cap (AMCC) will be identified for the Access Control Network. Instead, all eligible projects can apply for and be granted consent to apply for connection, subject to passing a REZ Consent Assessment implemented by EnergyCo and making required commitments under Access Consent Agreements.[12] The anticipated nature and form of the REZ Consent Assessment is described in Section 3.4.1.

It is not proposed to control load connections in the Hunter-Central Coast REZ using an Access Control Mechanism.

Rationale

The introduction of an Access Control Mechanism is proposed to ensure projects across the REZ meet the same development expectations, while minimising the administrative requirement for applicant Projects as well as for EnergyCo.

Community support for the energy transition is critical to the timely development of new generation and storage projects, and the introduction of an Access Control Network across the REZ will benefit all connecting projects by reducing the risk that projects developing to lesser standards degrade community support for the REZ as a whole.

[12] Additionally, projects will still be required to progress through the planning approvals, network connection process, and other processes required ahead of connection.

Key things developers need to know

If you are a renewable generation or storage developer seeking to connect to the REZ network infrastructure being augmented by Ausgrid, or on lines nearby, you will either be connecting to Access Rights Network or to Access Control Network, depending on which option is selected in the final design.

- If this is Access Rights Network, the total connection capacity available for allocation under Access Rights will be capped, and you will need an Access Right to connect here. As an Access Rights Holder, you will benefit from increased certainty of the aggregate export capacity of projects connecting around you, as well as certainty that projects across the REZ will be held to a high standard of community engagement.
- If this is Access Control Network, the total connection capacity on these lines will not be capped but you will still need Consent from EnergyCo before you can connect. You will benefit from certainty that the projects across the REZ will be held to a high standard of community engagement.

If you are connecting to 132 kV or above network in the REZ but not to the Hunter-Central Coast RNIP or the excluded 500 kV network lines, you will be connecting to Access Control Network. As above, the total connection capacity on these lines will not be capped but you will still need consent from EnergyCo before you can connect. You will benefit from certainty that the projects across the REZ will be held to a high standard of community engagement.

Wherever you are connecting within the Hunter-Central Coast REZ, the most important thing to note is that this consultation paper is seeking feedback on a draft policy design only and does not change the current state of play. All developers and investors should continue to progress their projects and are welcome to engage with EnergyCo as we continue this design process.

What does this mean for communities?

For communities in the region, the two options under consideration are very similar.

Under Option 1, the total network connection capacity for projects connecting to the upgraded power lines will be capped which may mean fewer projects connecting to these lines.

Under Option 2, the connection capacity on these lines will not be capped and the number and type of projects will depend on commercial factors.

Both options propose that all projects require approval from EnergyCo before they can progress their connection to the network, meaning they will all be required to meet eligibility criteria and sign up to commitments and access fees (subject to eligibility). This would mean that project developers need to:

- establish and maintain positive relationships with communities and key stakeholders;
- present clear, accurate and objective information regarding the project;
- utilise a range of engagement approaches including face-to-face, formal correspondence and community groups;
- facilitate solution-orientated engagement, actively seeking feedback and illustrating how feedback has been considered;
- adopt a place-based, best practice First Nations engagement strategy.

Importantly, there is no immediate impact on communities. We are consulting on this policy now, and will continue to consult with communities through this process.

Have your say

Question 5: What are your views on the benefits and challenges of introducing an Access Rights Regime on some network infrastructure, as considered in Option 1, and the potential value of an aggregate maximum capacity cap for projects connecting to this network?

3.2.4 Access Scheme term

The term of an access scheme begins from the date of the Access Scheme Declaration (through publication in the NSW Gazette) and ends at a date defined in the Access Scheme Declaration. Once the term of the access scheme reaches its end date, the network subject to the access scheme will revert to the National Electricity Rules (NER) arrangements for managing access, currently the 'open access' regime and any obligations of projects under access agreements (e.g. requirements to pay access fees) will cease. For the avoidance of doubt, Connection Agreements between the relevant network operator and projects will remain in place at the expiry of the scheme term, and projects will continue to operate in the market as they had under the access scheme, but the Access Rights Agreements and/or Access Control Agreements will terminate and access arrangements will revert to the national framework from this point.

EnergyCo is considering a term for the Hunter-Central Coast REZ Access Scheme of 25 years from the date of the Access Scheme Declaration. The amount of time that a project will be subject to the Access Scheme will differ depending on when the Project connects to the Access Scheme Network.

Have your say

Question 6: What are your views on the term of the access scheme under consideration?

Access fees

In its role as the Consumer Trustee under the EII Act, ASL is responsible for setting the access fees for access schemes in NSW. In doing so, ASL must take into account principles prescribed in the EII Act, having regard to the objects of the Act, and must act independently and in the long-term financial interests of NSW electricity customers.

Access fees are required to include components for community purposes and for employment purposes, and may include additional components depending on the design of the relevant access scheme (for example, administration costs, network-related cost contributions, or other scheme-specific elements relevant to each REZ and access scheme). Access fees are determined having regard to the applicable statutory principles, and are typically expressed on a per MW basis.

If EnergyCo introduces a Hunter-Central Coast REZ Access Scheme with both an Access Rights Regime and an Access Control Mechanism, ASL would consider how access fees should apply to each mechanism. In determining access fees, ASL considers a range of factors including the structure and operation of the access scheme and the outcomes for NSW electricity customers and as a result, access fees may be different between mechanisms where underlying access arrangements are different.

3.3 Transitional arrangements

3.3.1 Overview

Until an access scheme is declared, projects seeking connection to network infrastructure in the Hunter-Central Coast REZ may continue to progress their connection under the Connection Process (as set out in Chapter 5 of the NER).

If an access scheme is declared, a project will require Infrastructure Planner consent to seek connection to the Access Control Network or an Access right to seek connection to the Access Scheme Network, unless the project is covered by transitional arrangements. The Access Scheme Declaration can include transitional arrangements that specify how the access scheme will apply to existing and planned projects.

Transitional arrangements seek to ensure that the application of an access scheme is fair and equitable for projects that are significantly progressed in their development and the connection process. These arrangements also seek to reduce the risk of delaying or

deterring projects already in development because of the access scheme being introduced, particularly where these Projects have the potential to contribute to the near-term energy transition and delivery of the 2030 target.

3.3.2 Proposed approach

Exemption for projects that are already connected or have received an offer to connect under the NER

Projects that are connected to the Access Scheme Network before the date the Access Scheme is declared or have received an offer to connect from the relevant network operator by this point in time, will be exempt from the access scheme.

This means they will not need an Access Right or EnergyCo consent to connect (or remain connected) to the Access Scheme Network for their maximum export capacity at the relevant date and will not be required to pay access fees. If these projects intend to increase their maximum export capacity after that date, an Access Right or EnergyCo consent will be required for the additional capacity.

No exemption for Projects that have made an application to connect under the NER but have not received an offer to connect

EnergyCo is not considering exempting projects that have made an application to connect at the time the access scheme is declared but have not received an offer to connect by that time. The position under consideration is that these projects will require an Access Right to connect to the Access Rights Network or consent to connect to the Access Control Network, as relevant.

No exemption for Projects that have made a connection enquiry under the NER

EnergyCo is not considering exempting projects that have made a connection enquiry but have not made a valid and complete application to connect at the time the access scheme is declared. The position under consideration is that these projects will require an access right to connect to the Access Rights Network or consent to connecting to the Access Control Network, as relevant.

Exemption for projects that have executed a Long-Term Energy Service Agreement (LTESA) or a Capacity Investment Scheme Agreement (CISA)

Projects seeking to connect to the Access Scheme Network which hold an LTESA or a CISA on the date the Access Scheme Declaration is published will be exempt from the access scheme. These projects are proposed to be treated in the same way as projects with an offer to connect. This means they will not need an access right or EnergyCo consent to apply to connect to the Access Scheme Network for their capacity at the relevant date.

Projects seeking to connect to the *Access Rights Network* which receive an LTESA or CISA *after* the access scheme is declared will be required to apply for an access right.

Projects seeking to connect to the *Access Control Network* which receive one of these contracts *after* the access scheme is declared will be automatically granted consent to apply for a connection.

How projects covered by transitional arrangements will be treated under the Access Rights Regime

If an Access Rights Regime is introduced (Option 1), EnergyCo will take the capacity of projects covered by the transitional arrangements into account when determining the capacity to be made available for other projects to connect to the Access Rights Network under the Access Scheme.

Have your say

Question 7: What are your views on the proposed options to apply transitional arrangements? Should transitional arrangements be considered for any other scenarios?

3.4 Allocation of access

This section considers how network access in the Hunter-Central Coast REZ will be allocated, including how access consent will be granted and how access rights allocation is proposed to be undertaken if an Access Rights Regime is introduced (Option 1).

3.4.1 Allocation of access rights on the Access Rights Network

Allocation approach

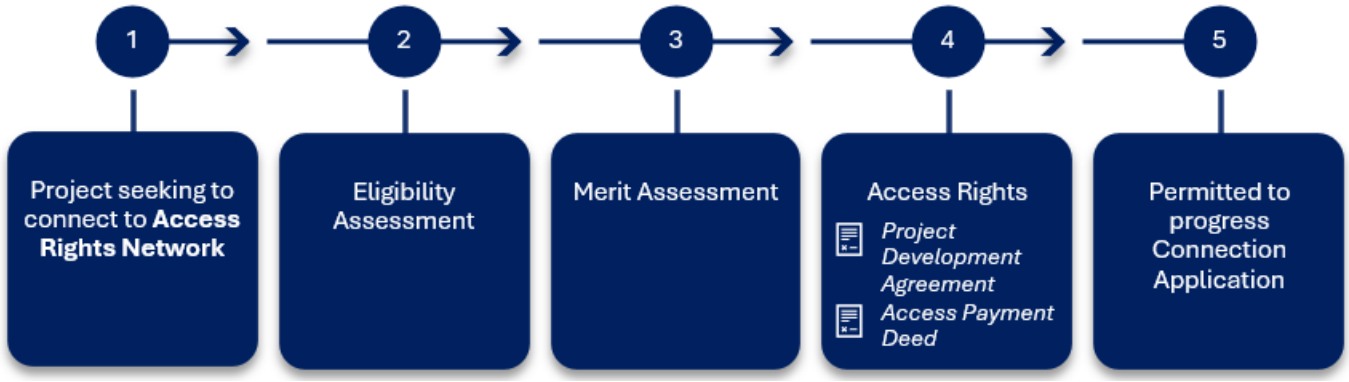
If an Access Rights Regime is introduced in the Hunter-Central Coast REZ the allocation process is proposed to be administered consistently with previous Access Rights Regimes in other REZs, with the introduction of both an Eligibility Assessment and a Merit Assessment. The Eligibility Assessment for access rights allocation under the Hunter-Central Coast REZ Access Scheme is expected to be broadly consistent with the Eligibility Assessment applied on the Access Control Network along with some additional criteria concerning the connecting project.

Applicants which are successful in the Eligibility Assessment stage will be eligible to participate in a Merit Assessment stage. We are working to develop a Merit Assessment process which is robust, while also proportionate to the smaller capacity of access rights likely to be available under the Hunter-Central Coast REZ Access Scheme

relative to other REZs with existing or proposed Access Schemes.

Successful applicants will be awarded access rights for a specified capacity (MW) which will define their maximum permissible export capacity on the Access Rights Network. On executing a Project Development Agreement with EnergyCo and an Access Payment Deed with the SFV, Applicants will have the access rights they require to then progress a connection application with the relevant network operator as they would have in the absence of the Access Scheme.

Figure 3 – Process steps for securing access rights



What we will assess

The Eligibility Assessment for projects seeking to connect to the Access Rights Network is currently expected to be broadly consistent with that being developed for the Access Control Network (below). It is possible that a small number of additional criteria may be included for access right applicants only.

The Merit Assessment for access rights applicants, if an Access Rights Regime is introduced under Option 1, is still being developed. While the Merit Criteria that Access Rights Holders were assessed against in other REZs would be expected to form the basis of the assessment in the Hunter-Central Coast REZ, we are considering whether there are opportunities to simplify the assessment while retaining diligence. This may be appropriate and proportionate given the smaller capacity of access rights available.

EnergyCo will select conditional Access Right Holders based on the Merit Assessment and the successful applicants will then be required to execute a Project Development Agreement with EnergyCo and an Access Payment Deed with the SFV before being granted an access right. The template access right agreements published for other REZ Access Schemes provides an indication of what these agreements are likely to include for the Hunter-Central Coast REZ.

How we will run the assessment process

The introduction of an Access Scheme in the Hunter-Central Coast REZ is not proposed to hinder the progress of projects in development in the region. As for Access Control, on the Access Rights Network this will be managed using transitional arrangements for well-progressed projects (Section 3.3) as well as through a timely initial allocation process for access rights.

If an access scheme is declared in the Hunter-Central Coast REZ, EnergyCo would expect to announce an access rights allocation round soon after, to assess projects seeking to connect to the access rights network. Currently, we are proposing that EnergyCo would run this allocation process, rather than the Consumer Trustee.

3.4.2 Allocation of access consent for the access control network

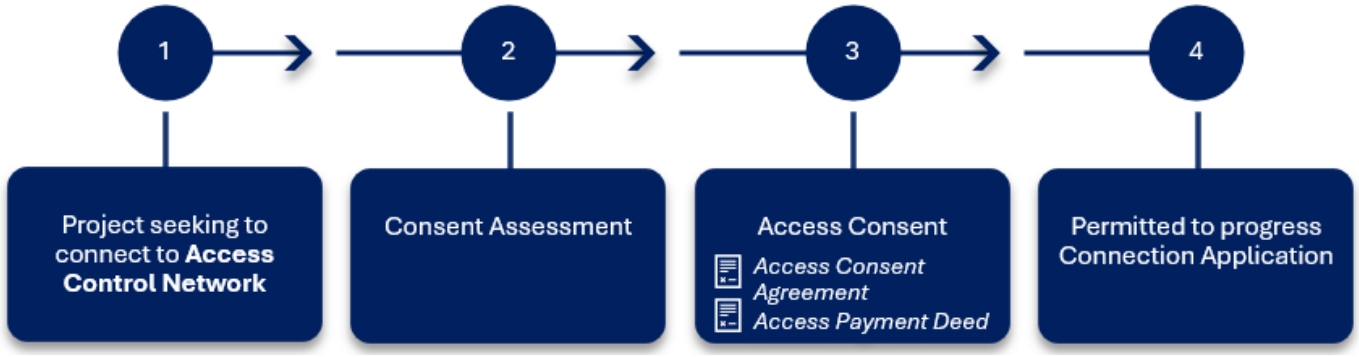
Allocation approach

All large-scale projects seeking to connect to the access control network in the Hunter-Central Coast REZ (whether under Option 1 or Option 2), will not be able to progress an application to connect unless they have received access consent from EnergyCo, or are exempt under the access scheme.

It is not proposed that there will be an upper limit to the volume of projects permitted to connect to the access control network, and so projects will not be competing against each other for scarce connection capacity. Instead, applicants will be required to pass an eligibility assessment and required to agree to progress their projects in line with NSW Government expectations and pay access fees determined by the Consumer Trustee. In other words, we will assess projects independently against criteria and requirements but will not assess projects relative to each other, and all projects which meet requirements can be granted access consent.

On executing a REZ Consent Agreement with EnergyCo and an Access Payment Deed with the SFV, applicants will have the consent they require to then progress a connection application with the relevant network operator as they would have in the absence of the access scheme.

Figure 4 – Process steps for securing access consent



Access and connections under the National Electricity Rules

The NER connection process will be modified to enable the operation of access schemes in distribution networks. Under the proposed modifications, generation and storage projects seeking connection to a distribution network that is an access rights network or access control network will require an access right or access consent (as applicable) before they can make an application to connect or receive an offer to connect. In addition, generation and storage projects connecting to the access rights network will not be permitted to submit the equivalent of a connection enquiry unless they hold an access right. These proposed modification to the NER mirror provisions of Chapter 9A of the NER that enable the operation of access schemes in transmission networks.

Early assessment for better community and developer outcomes

The introduction of an access control network in the Hunter-Central Coast REZ is intended first and foremost to benefit communities in the region, by ensuring that all large-scale projects seeking to connect to the high-voltage network are held to the same standards and expectations for community engagement. This, in turn, benefits connecting generation and storage projects by reducing the risk that the positive engagement they have had with the community is undermined by the actions of another project.

With this intent in mind, we are proposing to apply an eligibility assessment which is appropriate for early-stage project Applicants, and which seeks to assess capability and behaviours at a point in time rather than project specifications which we understand will change as the project develops. The proposed Eligibility Assessment is also deliberately light-touch, limited to a small number of criteria which allow for a robust assessment while limiting the administrative burden for Applicants and EnergyCo.

What we will assess

Currently, EnergyCo is considering the following eligibility criteria:

- Applicants will be required to demonstrate they are compliant with legal requirements, including holding relevant insurances and committing to statutory legal obligations (comparable to eligibility criteria of this nature required in previous access rights tenders);
- Applicants may be required to demonstrate an understanding of the biodiversity context in which they are proposing to develop and what this means for their project;
- Applicants may be required to demonstrate an understanding of the regional community context in which they are proposing to develop; and
- Applicant is named on the published Developer Rating Scheme list of assessed proponents.

Applicants that pass the Eligibility Assessment will be required to execute a Consent Agreement with EnergyCo and an Access Payment Deed with the SFV to secure Access Consent. Passing the Eligibility Criteria alone will not provide applicants the Access Consent they require to apply for connection to the Access Control Network.

The Consent Agreement for projects seeking to connect to the Access Control Network:

- Is proposed to include commitments to progress the project in line with community engagement principles, community engagement plans, industry and Aboriginal participation plans and other principles or requirements intended to ensure a consistent high standard of behaviours are met as the projects develop in the region.
- Is proposed to include reporting and information sharing requirements, including about project construction timelines as these become known.
- Is not proposed to require projects to commit to binding project development milestones, given there will be no cap on connections to the Access Control Network.

Further detail of the proposed contents of Consent Assessment criteria and Consent Agreements is provided as an Appendix to this Consultation Paper.

Applicants will also be required to execute an Access Payment Deed with the Scheme Financial Vehicle regarding the payment of Access Fees.

EnergyCo is still considering the potential introduction of bonding requirements. If introduced, these are likely to be far lower than those for access rights in other REZs.

How we will run the assessment process

The introduction of an access scheme in the Hunter-Central Coast REZ is not proposed to hinder the progress of projects in

development in the region. This will be managed using transitional arrangements for well-progressed projects (Section 3.3) as well as through a timely initial allocation process for Access Consent.

If an access scheme is declared in the Hunter-Central Coast REZ, EnergyCo would expect to announce an Access Consent allocation round soon after the access scheme is declared, to assess projects seeking to connect to the Access Control Network. Currently, we are proposing that EnergyCo would run this allocation process, rather than the Consumer Trustee.

While the timing of the initial allocation process would be aligned with (anticipated to be soon after) the publication of the Hunter-Central Coast REZ Access Scheme Declaration, we are currently developing the ongoing allocation model for future rounds. It is likely that we will introduce a regular cadence of allocation rounds for new applicants to seek access consent over time.

Have your say

Question 8: What are your views on the proposed eligibility criteria and contents of a Consent Agreement for allocation of Access Consent in the Hunter-Central Coast REZ? Do you foresee that there will be challenges or barriers to meeting the proposed requirements?

Question 9: What are your views on the frequency at which allocation processes should be run for Access Consent? For example, if the process is run semi-annually?

4 Other access scheme considerations

4.1 Approach to system strength

System strength refers to the ability of the power system to maintain and control a stable voltage waveform, both during normal operation and following a disturbance.

Unlike Central West Orana REZ Access Scheme, the Hunter-Central Coast REZ Access Scheme will not provide for the centralised provision of system strength services. Generation and storage projects connecting to the Access Scheme Network will instead be required to meet relevant system strength obligations under Chapter 5 of the National Electricity Rules (NER), as it applies and is modified in NSW, as part of the connections process with their relevant network service provider.

EnergyCo recommends that proponents refer to AEMO's System Strength Impact Assessment Guidelines for more information on system strength impact assessment in the broader assessment and approval process for connections in the Hunter-Central Coast REZ.[13]

4.2 Approach to connection assets

As part of its Infrastructure Planner role to coordinate network, generation and storage infrastructure in REZ, EnergyCo considers the most appropriate model for the planning, design, construction, operation and ownership of connection assets for each REZ. In this section, connection assets refer to the plant, equipment and ancillary infrastructure between the project and the connection point on the Access Scheme Network and may include transmission lines and switching stations.

For Hunter-Central Coast REZ, EnergyCo proposes no changes to the framework for distribution connection assets under Chapter 5 of the NER. Under this approach, proponents would work closely with their relevant network operator to identify potential connection options for their project as part of the Connection Process. These options should seek to identify the most efficient and effective connections for proponents when

[13] https://www.aemo.com.au/energy-systems/electricity/national-electricity-market-nem/participate-in-the-market/network-connections/system-strength-impact-assessment-guidelines

taking into account considerations such as project location, size and capacity.

4.3 Approach to REZ Access Standards

REZ Access Standards are a defined set of technical requirements that generation and storage projects may be required meet to connect to an Access Rights Network if applied under a REZ Access Scheme.

EnergyCo is not proposing to develop REZ Access Standards for the Access Rights Regime. Projects would instead follow the existing Chapter 5 connections process of the NER and work closely with their relevant network service provider and AEMO to determine appropriate performance standards for their project.

Have your say

Question 10: What are your views about the appropriateness of the existing National Electricity Rules processes and requirements for system strength, connection assets and technical standards in the Hunter-Central Coast REZ, rather than bespoke arrangements?

5 Appendix A

Access Consent | Proposed Assessment Criteria and Agreement terms for feedback

What Access Consent is

An access scheme is used to authorise or prohibit access to, and use of, specified network infrastructure (the Access Scheme Network). There are two different approaches (or policy 'tools') which can be used to control network access under an access scheme:

- **Access Rights Regime:** Where an Access Rights Regime is used (where the network infrastructure is specified as Access Rights Network), projects are required to hold an access right before they can apply to connect to the network. In an Access Rights Regime, the total capacity of access rights is capped meaning only a limited capacity of projects can connect and export to the grid, providing greater certainty of curtailment risk to connecting Projects.
- **Access Control Mechanism:** Where an Access Control Mechanism is used (the Access Control Network), Projects are required to obtain consent from the Infrastructure Planner (**Access Consent**) before they can apply to connect to the network. Connection to the Access Control Network will not be capped, and so there is no limit to the capacity of projects for which access consent can be granted.

An Access Rights Regime and an Access Control Mechanism can be applied to different elements of network infrastructure in the same REZ but cannot be applied to the same network infrastructure.

An Access Control Mechanism has not been used in an Access Scheme to date but is expected to be used in the future. EnergyCo is in the process of developing the details relating to the granting of access consent, including the assessment criteria which would be used to determine conditional access consent and the consent agreement terms that proponents would be required to commit to, to formalise their access consent.

What Access Consent will deliver

Access Consent (within an Access Control Mechanism) is being designed first and foremost to ensure consistency in the way projects are engaging with and supporting communities within REZs. It is proposed to introduce a light-touch control only, relative to an access right, ensuring that all projects seeking connection to the Access Scheme Network (as defined in each REZ) meet eligibility

requirements, make commitments related to community engagement and development activities and pay access fees that include components for community and employment purposes.

Why this is important for communities and for developers

Community support for the energy transition is critical to the timely development of new generation and storage projects in NSW. The introduction of access consent for high voltage network infrastructure in a REZ will benefit communities by ensuring more projects in their region:

- are subject to consistent eligibility assessment,
- commit to positive behaviours, and
- are required to pay access fees for community and employment purposes.

Access consent will also benefit developers, by providing more certainty around the expectations on the other projects seeking connection around them and reducing the risk that neighbouring projects undermine local community support for the REZ and energy transition.

Proposed assessment criteria for Access Consent

The following tables provide draft Access Consent criteria which EnergyCo is currently considering for the assessment of projects seeking to connect to an Access Control Network in REZs, where an Access Control Mechanism is introduced as part of an Access Scheme. The Access Consent criteria are intended to be assessed on a "pass/fail" basis. A project that passes all the criteria would receive Access Consent, subject to contracting.

EnergyCo is seeking feedback on these draft access consent assessment criteria to inform our work as we progress the design of access consent policy. These draft criteria are only being considered at this stage and should not be assumed to apply to any projects at this point in time.

1. Proponent characteristics

	Draft criteria	Rationale	Decision factors
1.A	Applicant holds an Australian Business Number (ABN).	Applicant must demonstrate it is able to operate in Australia in compliance with Australian Government law.	Full compliance required to pass
1.B	Applicant is an Australian entity incorporated under the Corporations Act 2001 (Cth)		
1.C	The Applicant must not be named as an organisation on		

	the Consolidated List maintained by the Australian Sanctions Office within the Department of Foreign Affairs and Trade.		
1.D	Applicant must not have had a judicial decision relating to employee entitlements made against it (not including decisions under appeal), where the proponent has failed to pay any amounts required to be paid following that judicial decision.		
1.E	Applicant must not have been named as an organisation that has not complied with the Workplace Gender Equality Act 2012 (Cth).		
1.F	Applicant must comply with: • obligations under employment contracts, industrial agreements, and awards; • codes of conduct and practice relevant to conditions of service and to the relations between the Proponent and the employees employed by the Proponent; and • applicable Workplace Health and Safety legislation.		
1.G	Applicant must not, within the previous 10 years, have been subject to an inquiry by		

	the NSW Independent Commission Against Corruption, or an equivalent body in a jurisdiction in Australia, where a finding has been made against the proponent (including that the proponent has engaged in corrupt conduct).		
1.H	If the applicant is a 'reporting entity' under the Modern Slavery Act 2018 (Cth) the proponent must have complied with its obligations under that Act, including (if applicable) registering a Modern Slavery statement with the Commonwealth Attorney General's Department.		
1.I	Applicant is not impacted by an order served under the EII Act, Section 29, prohibiting connection of a project to the network.		

2. Proponent track record

	Draft criteria	Rationale	Decision factors
2.A	Applicant is on the public register for the Australian Government's Developer Rating Scheme at the time of application; or Applicant has provided a letter of engagement with Equifax to demonstrate it is in the process of assessment at the time of	EnergyCo is interested in assessing the demonstrated capacity of Applicants to meet high standards in the development of their projects, particularly in regard to community engagement. Currently, we are considering leveraging the	Full compliance required to pass. Applicant must be on the public register for the Australian Government's Developer Rating Scheme when the Consent Agreement is executed (Condition Precedent).

	application and must be on the public register by the time the assessment outcome is announced.	Australian Government's Developer Rating Scheme as an independent and rigorous assessment of developer capacity and capability to deliver and operate at a high standard. To the extent that applicants would already be engaging with the Developer Rating Scheme voluntarily, this approach would be a more streamlined and efficient means of assessing applicants than introducing a duplicative assessment for access consent. If the Developer Rating Scheme is leveraged for access consent, Applicants would be required to be listed on the public register, reflecting that they have achieved an overall rating of at least three stars as well a rating of at least three stars in the 'community' criteria.	

3. Biodiversity context

	Draft criteria	Rationale	Decision factors
3.A	Applicant demonstrates it has considered and documented the project's potential impacts on biodiversity including: 1. **Protected lands** including National Parks Estate and any private land agreements within 500m of the project footprint (Applicant should	Applicants should be seeking information on and engaging with the biodiversity context of their project early in project development, to ensure this is factored into early decision making.	An Applicant who identifies potential impacts must demonstrate that they have: • addressed the project's potential impacts on biodiversity based on best available data or information (applicant should list data or information sources

provide name of protected land/s and type of protection; if none within 500m identify nearest protected land). 2. **Significant biodiversity values**: a. threatened species records on or within 5km of the project footprint including name of the species and number of records (accessed through BioNet) b. threatened ecological communities on or within 5km of the project footprint including name of the TEC, distance to the footprint and area of continuous patch c. area of the Biodiversity Values Map within the project footprint d. distance to the nearest karst system (provide name of karst system or nearest caves) *Note: Presence of biodiversity values can be estimated from desktop or spatial analysis, supplemented with on ground information, where available.*		used, assumptions and limitations) • sought assistance from the relevant biodiversity team in DCCEEW to access state-wide datasets where local or on-ground information is not available • provided a short description of how impacts will be avoided and minimised through project planning, design and construction, where the values occur on or near the project footprint • contacted the relevant biodiversity team in DCCEEW if potential impacts have been identified.

Draft non-assessable response criteria

The following table provides a draft non-assessable response criteria which EnergyCo is currently considering requiring projects seeking to connect to Access Control Network to respond to as part of the Consent Assessment process.

1. **Regional context (non-assessable response criteria).**

	Draft criteria	Rationale	Decision factors
4.A	Applicant must demonstrate an understanding of the regional context in which it is proposing to develop. Applicants will be required to provide a statement of regional context which demonstrates: • Engagement with published community feedback regarding renewable energy and storage development in the region; • Understanding of the key communities and nature of the economic centres in the region; • How it considers the regional context will impact its Community Engagement Plan when developed.	Applicants should be aware of the unique regional context in which they are seeking to develop a project, the current and past community sentiment for the development of similar projects in the region, and factors which will need to be considered or accommodated to facilitate effective engagement with local community. Applicants will be required to develop a Community Engagement Plan at a later stage in their development (see draft Consent Agreement inclusions) and that Engagement Plan must be developed taking into account the regional context in which they are seeking to develop.	Applicant must provide a response. The content is proposed to be non-assessable.

Draft commitments and obligations to be included in the Consent Agreement

The following table provides an overview of the types of commitments and obligations which EnergyCo is currently considering including in the Consent Agreement. Applicants which successfully pass the Consent Assessment stage would be required to execute a Consent Agreement with EnergyCo as well as an Access Payment Deed with the Scheme Financial Vehicle before they receive formal 'consent' to make an application to connect to the Access Control Network.

Draft commitment

Information sharing

The applicant must share information with EnergyCo regarding the development, construction, operation and maintenance of the Project, as reasonably requested by EnergyCo.

EnergyCo will not publicly disclose this information unless otherwise agreed.

Cumulative impact obligations

The applicant must comply with the Cumulative Impacts Obligation, which includes:

- acknowledging the potential cumulative impacts which may arise due to its project developing, constructing and operating at the same time as the development, construction and operation of other projects in the REZ.
- acknowledging and agreeing to reasonably minimise contributions of the project to cumulative impacts
- complying with information sharing and coordination activities with EnergyCo, including in relation to transport routes and timeframes for the transport of oversized and over mass loads through construction.

Social licence commitments

The applicant commits to develop and submit to EnergyCo by the earlier of a) the time it reaches Financial Close or b) within 30 days of receiving an Offer to Connect, commitments to support communities in the Hunter-Central Coast REZ via:

- A Community Engagement Plan; and
- Industry and Aboriginal Participation Plan.

The Applicant must commit to submitting a Community Engagement Plan by the specified project milestone which demonstrates a clear understanding of any impacts of the Project on the community plus a tailored approach to minimise and offset any impacts of the Project on affected communities through:

- engagement with local communities and stakeholders that is generally consistent with applicable NSW Government Guidelines to foster local community support
- improvement in land use, considering any environmental constraints and opportunities in the site selection process that is generally consistent with applicable NSW Government Guidelines
- a binding Community Engagement Plan that includes the Applicant's local shared benefit commitments.

The applicant must commit to submitting an Industry and Aboriginal Participation Plan (IAPP) by the specified project milestone which demonstrates the applicant's commitment to improving regional economic development, including the local supply chain, workforce development and First Nations participation. The applicant's IAPP, when developed, must comply with the requirements and recommendations of First Nation Guidelines regarding consultation and negotiation with local Aboriginal communities and the Renewable Energy Sector Board's Plan.

Model REZ Access Commitment

The applicant must act in a manner consistent with the Model REZ Access Commitment, including commitments relating to community engagement, benefit sharing, and best practice environmental, social and governance.

Community engagement component

The applicant endeavours to employ best practice engagement principles and facilitate meaningful, respectful and effective engagement throughout the development of the Project.

This includes a commitment to:

- establish and maintain positive relationships with communities and key stakeholders;
- present clear, accurate and objective information regarding the project;
- utilise different engagement measures including face-to-face, formal correspondence and community groups;
- facilitate solution orientated engagement, actively seeking feedback and illustrating how feedback has been considered;
- adopt a place-based, best practice First Nations engagement strategy; and
- co-ordinate engagement activities with EnergyCo across the REZ.

Benefit sharing

The Applicant endeavours to foster genuine benefits for all stakeholders in the REZ, showing consideration of current NSW Government policy through the development of the Project.

This includes a commitment to:

- create local employment opportunities for local workers, communities and First Nations people;
- create local investment opportunities for local businesses by prioritising local procurement and supply chain opportunities;
- create and maintain positive, lasting and meaningful community benefit sharing strategies, informed by consultation and tailored to the local context; and
- co-ordinate benefit sharing initiatives with EnergyCo across the REZ.

Environmental Social and Governance (ESG)

The applicant endeavours to implement best practice ESG principles through the development of the Project.

This includes a commitment to:

- implement best practice environmental protection, sustainability and resilience measures throughout the entire lifecycle of the Project;
- manage resources and waste through efficient and sustainable methods when feasible throughout the entire Project lifecycle; and
- promote a diverse and inclusive workforce, building on local skills, strengths, and diversity.

6 Glossary

Key terms used in this paper defined below.

Term	Definition
Access Consent	Authorises the Access Consent Holder to submit an application to connect to the Access Control Network and send out generation from its Project
Access Control Mechanism	An access mechanism that governs the access of persons to a specified part of the Access Scheme Network other than the Access Rights Network
Access Control Network	Specified network infrastructure that will be identified as subject to an Access Control Mechanism in any future Hunter-Central Coast REZ Access Scheme Declaration
Access Right	Authorises the Access Right Holder to submit an application to connect to the Access Rights Network and send out generation from its Project up to a specified maximum capacity
Access Right Holder	A person who holds an access right to the Access Rights Network granted by the Infrastructure Planner
Access Rights Network	Specified network infrastructure that will be identified as subject to an Access Rights Regime in any future Hunter-Central Coast REZ Access Scheme Declaration
Access Rights Regime	An access mechanism that governs the access of persons to the Access Rights Network and requires persons to hold access rights as described in an Access Scheme Declaration
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
Access Scheme Declaration	An Order made by the Minister declaring an Access Scheme in accordance with section 24 of the EII Act

Term	Definition
Access Scheme Network	Specified network infrastructure forming part of a REZ to which an Access Scheme Declaration applies an Access Scheme. This includes an Access Rights Network or an Access Control Network
AEMO	Australian Energy Market Operator Limited
Aggregate Maximum Capacity Cap (AMCC)	The cap on the aggregate maximum capacity of Approved Projects during any capacity period
Approved Project	An Eligible Project that has been awarded an access right
ASL	AusEnergy Services Limited
Connection Agreement	An agreement between an Access Right Holder and the Network Operator regarding the connection of a Project to the Access Rights Network or the Access Control Network operated by that Network Operator (as relevant)
Connection Process	The process under the NER that Projects will be required to follow to connect their Approved Project to the Access Scheme Network
Consumer Trustee	AusEnergy Services Limited in its capacity as Consumer Trustee under the EII Act
EII Act	*Electricity Infrastructure Investment Act 2020* (NSW)
EII Regulation	Electricity Infrastructure Investment Regulation 2021 (NSW)
Eligible Project	A Project that is eligible to apply for an access right or Access Consent under the Access Scheme Declaration
EnergyCo	Energy Corporation of New South Wales
High Voltage Network Infrastructure	'High Voltage' refers to network infrastructure operating at nominal voltages of 132 kV and above

Term	Definition
Hunter-Central Coast RNIP	The REZ Network Infrastructure Project identified in section 5 of the notice of authorisation by the Consumer Trustee
Maximum Capacity	The maximum generation in megawatts (MW) that an Approved Project is authorised to send out under its access right
National Electricity Rules (NER)	The National Electricity Rules made under Part 7 of the National Electricity Law, as amended from time to time in accordance with Part 7 of the *National Electricity (NSW) Law* or the *National Electricity (NSW) Act 1997* and as modified by the Regulations
Network Element	An identifiable major component of a transmission system or distribution system comprising part of the Access Rights Network
Network Operator	The Network Service Provider that owns, operates or controls the Access Rights Network or the Access Control Network
Offer to Connect	An offer to connect meeting the requirements of Clauses 5.3.5 and 5.3.6 of the National Electricity Rules
Projects	Generation and/or storage project seeking to connect to network infrastructure covered by the Access Scheme
REZ Consent Assessment	An eligibility assessment applied to proponents seeking to connect to the Access Control Network
Roadmap	NSW Electricity Infrastructure Roadmap
Scheme Financial Vehicle or SFV	Scheme Financial Vehicle Pty Ltd in its capacity as scheme financial vehicle under the EII Act
Substation	A network element in the power grid that connects electricity generation, transmission, and distribution systems

Term	Definition
Target Transmission Curtailment Level (TTCL)	This is the targeted limit on Forecast Curtailment due to the transmission transfer capacity for generation connected to the Access Rights Network