



NSW Department of Planning, Industry and Environment
4 Parramatta Square,
12 Darcy Street,
Parramatta NSW 2150.

Central-West Orana REZ Access Scheme Issues Paper Response

Bright Sparks is grateful for the opportunity to make a submission in response to the Central-West Orana REZ Access Scheme Issues Paper (Issues Paper).

Bright Sparks is a community for engaged, motivated and passionate young people working in clean energy across Australia. Our members are the future generation of leaders to inherit Australia's electricity infrastructure. We already actively work for retailers, generators, government bodies, start-ups, advisory organisations, academic groups and NGOs or think tanks and play a role in developing, operating and reforming the energy industry in our day-to-day. We bring creativity, vision and accountability to the work we do and the Issues Paper process.

Bright Sparks is in support of a least-cost transition of the grid for consumers, consistent with the National Electricity Objective, and broadly consistent with the aims of the NSW Electricity Infrastructure Roadmap. As such, when engaging with the Issues Paper's proposed schemes, we have considered our responses through the lens of what we believe to be in the long-term best interest for consumers.

Our understanding is that the question posed in the Issues Paper is not *whether* a REZ access scheme should be developed, but rather *what form* it should take. However, we have the following general concerns about a REZ access scheme, regardless of the form it may take:

1. Any access scheme would increase the risk, relative to the current open access regime, of underutilisation of REZ network infrastructure, and would therefore increase the risk that consumers pay more for network infrastructure than the benefits they receive.
2. Prospective generators may see any form of access rights as a disincentive to connect to the CWO REZ. Many renewable energy generators responded negatively to the access schemes proposed in the [Energy Security Board's Renewable Energy Zones January 2021 Consultation Paper](#), advocating instead for the current open access regime where generators bear the risk of congestion (see responses from [Engie](#), [Infigen](#), [Neoen](#), and [Clean Energy Council](#) as examples). This is concerning given that the access schemes proposed in the CWO REZ Issues Paper are aligned with the schemes in the ESB Consultation Paper, so any access scheme for the CWO REZ may act as a deterrent to investing in the REZ, again leading to underutilisation of the REZ network infrastructure.

We appreciate that there are good reasons for pursuing an access scheme, and we are open to the idea that if executed well it could lead to lower costs for consumers, primarily via lower cost of capital for generators. However, we encourage the Department to explore whether access is the most pressing issue facing generators, and if not, the unfortunate possibility that implementing an access scheme could derail the CWO REZ project.

Putting the above aside, we have responded to the Issues Paper questions in the attached submission form under the assumption that an access scheme will proceed. Any questions can be addressed to [REDACTED]. We look forward to further engaging with the CWO REZ implementation process.

Kind regards

Bright Sparks