

From: [Ashley Bland](#)
To: [DPIE NSW REZ Mailbox](#)
Cc: [Tom Griffiths](#)
Subject: CWO REZ Access Scheme Issues Paper
Date: Friday, 30 April 2021 9:27:33 PM
Attachments: [image001.jpg](#)

Dear Madam/Sir,

Thank you for producing the issues paper and calling for feedback at this important time. The work of Constructive Energy relates primarily to the Distribution Network and thus I could not provide meaningful comment to many of the questions in the response template, however I can offer the following.

It is pleasing the Distribution Network referenced in the issues paper. It is important to remember that the vast bulk of commercial connections to industry occur within the DN and from my discussions with communities, organisations, business and industries within the REZ, most are primarily concerned with the price of power. Many are also looking at investing in significant DER within the network and collectively these will account for significant generation capacity that will see many Substations flow 'backwards' – some already do. Based on the appetite I see for self-determination with energy supply in the region, it is likely that networks under Zone substations become increasingly self-sufficient. To that extent changes in the MLF/DLF have the potential to positively or adversely affect DER within the DNs. Is there a case for dislocating the MLF from mid-scale developments within the DN? Is there a case for development of storage capacity within the substations likely to be impacted by large-scale generation within the REZ as a buffer to perverse outcomes?

If parts of the DN have the capacity to be self-sufficient, is there any impact on export from the REZ and how can this be managed? To some extent this issue relates to questions 29 – 32 concerning load which I take to be both storage and demand. Is the NEM sufficiently reflective and adaptable to incentivise both demand management and export control via storage? Or is the expectation that the FCAS market handles this and if so, are the current FCAS market access provisions and thresholds adequate?

I know that community benefits are not within the scope of this paper however, impacts of the REZ on the DN have the potential to benefit or disadvantage the community. It's where 'the rubber hits the road' and it would be deeply disappointing if, say a farmer or regional Council wanting to establish a mid-scale project with a mechanism to supply local stakeholders was adversely impacted in their ability to do so because of a collective powerplant designed to supply Sydney. I welcome the opportunity to contribute to future discussions around the DN strategy. Finally, the market mechanisms introduced by the paper seem sensible and each have pros and cons as discussed. Personally I see the merit in 2B for the perhaps more likely outcome of increased dispatchable powerplants. However, while these mechanisms look likely to support the 'macro' objectives of power to replace Liddell etc, they are no guarantee for optimising more local impacts. I have previously recommended to REZ Directors that a REZ Social Impact Plan be developed, within which could be developed specific approaches to both Access and on-going management that positively impact the region.

For example, what mechanism exists to evaluate the relative merit of two equivalent applications for access where one is provided by a multinational and the other by a Western Area Local Aboriginal Land Council? How would we forecast, measure and award Access on the basis of potential for positive, transformative capacity to regional NSW communities? How would community investment impact these market mechanisms? Could % thresholds be set that gave certain advantages to proponents that enable this? People within the REZ want cheaper energy and a piece of the pie - where is this recognised in the Access strategy?

Personally I'd like to see a minimum threshold for community investment such as occurs in parts of Europe.

Once again thank you for the opportunity to provide input and I look forward to further participation in the design and roll-out of this important initiative.

Regards,

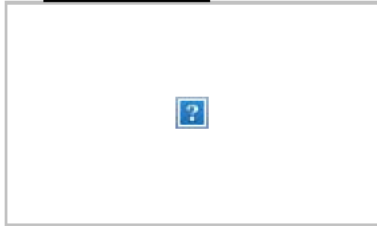
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For people who read small print; thanks for taking the time to read this – you obviously have an eye for detail which is a gift. It goes without saying these days that it would be great if you didn't print this email unless you really have to – every little action counts. It would also be good to let me know if you have received this message in error. Finally, may your day be productive, enjoyable and the world be left in a better place because you're in it!