

Meeting minutes

Central-West Orana REZ Community Reference Group

Thursday, 20 July 2023

11:03am to 1:19pm

Western Plains Cultural Centre – 765 Wingewarra Street, Dubbo NSW 2830

Attendance

Category	Attendees
Independent Chair	Lisa Andrews (LA)
EnergyCo representatives	Cara Inia, Director Community & Place (CI) Cleo Andrews, CWO Community & Stakeholder Lead (CA) Brian Cullinane, Planning & Environment Lead (BC) Michael Opperman, Project Director, Network Recommendations (MO) (online) Nick Landreth, Project Director, Policy & Projects (NL) (online) Jen Radford, Director Network Access (JR) (online) Thomas Watt, Director Planning & Policy (TW) (online) Peter Thrift, Senior Policy Officer (PT) (online) Bridget Kelleher, Senior CWO Place Manager (BK) Anna Howard, CWO Place Manager (AH) Lachlan Beveridge, CWO Place Manager (LB)
LGA Delegates	Mayor Matthew Dickerson, Dubbo Regional Council (MD) Cr Katie Dicker, Mid-Western Regional Council (KD) Cr Kathy Rindfleish, Warrumbungle Shire Council (KR)
Community representatives	Dougald Morse (DM) (online) Sally Edwards (SE) Colin Kilby (CK)
Stakeholder groups	Kate Hook, Community Engagement Manager, RE-Alliance (KH) Beverley Smiles, Central West Environment Council (BS) Grant Gjessing, Business Mudgee (GG) Michael Peachey, Wellington Information Neighbourhood Services (MS)

Category	Attendees
	David Thorne, NSW Farmers (Mudgee) (DT)
Invited guests	<p>Baharak Sahebekhitari, General Manager Commercial, AEMO Services (BS)</p> <p>Thomas Aubert, General Manager Stakeholder Relations & Communications, AEMO Services (TA)</p> <p>John Clements, Senior Advisor, Barwon MP's Office (JC)</p> <p>Mel Manchee, Senior Electorate Officer, Barwon MP's office (MM) (online)</p> <p>Jane Diffey, Senior Electorate Officer, Dubbo MP's office (JD)</p> <p>Abbie Sutton, Community & Stakeholder Liaison Orana Wind Farm, Acciona Energia (AS) (online)</p> <p>Martine Holberton, Senior Stakeholder Advisor Liverpool Range Wind Farm, Tilt Renewables (MT)</p> <p>Gordon Ou, Director Cobbora Solar Farm, Marble Energy (GO) (online)</p>
Observers	<p>Jacqueline Smith, ACE Energy (first ranked Network Operator proponent) (JS) (online)</p> <p>Sharon Labi, ACE Energy (first ranked Network Operator proponent) (SL)</p>
Apologies	<p>Rosemary Hadaway, Mudgee District Environment Group & Watershed Landcare (RH)</p> <p>John Kelly, community representative (JK)</p>

Agenda items

Item	Details	Responsibility
1	Acknowledgement of Country	LA
2	Welcome and introductions	LA
3	Apologies	LA
4	Purpose of meeting	LA
5	Business arising and correspondence	LA
6	Declarations	LA
7	EnergyCo presentation	CA
8	General business	LA
9	Next meeting	LA

Actions from previous meeting

No.	Action	Status
1	Sal Edwards' questions to be included as addendum to April CRG minutes.	Complete: published online with the April minutes
2	Advise CRG when opening letters have been issued.	Complete: email sent to CRG on 24/5/23
3	Provide description of Place Manager role.	Complete: copy sent with April minutes
4	Consumer Trustee to be invited to future meeting.	Complete: in attendance at this meeting
5	Provide finalised CWO access rights tender guidelines once released by the Consumer Trustee.	On hold: tender has moved to Q4 2023. CRG will be updated at this time.
6	Provide update on Neeleys Lane ancillary site.	Complete: update provided in the presentation
7	Provide a list of skills and training working group members.	Complete: addressed in April minutes
8	Provide a copy of CWO REZ engagement strategy.	Complete: copy sent with April minutes
9	Provide a website link about RES neighbour benefit scheme	Complete: sent with agenda
10	Provide CWO workforce histogram	Complete: included in April minutes
11	Provide link to Dubbo Regional Council Business Paper	Complete: included in April minutes
12	Provide information on design life of transmission lines	Complete: included in April minutes
13	Provide overview of social impact assessment process	Complete: included in April minutes
14	Confirm new Wollar forms part of EnergyCo's EIS	Complete: included in April minutes
15	Circulate NSW Agriculture Commissioner's report	Complete: included in April minutes
16	Provide examples of 2 x 500 kV lines in 40m easement	Complete: included in April minutes
17	Provide an update on the Maryvale Solar Farm approval if available	Complete: included in April minutes

Meeting minutes

Item	Description	Lead	Updates
1	Acknowledgement of Country	LA	
2	Welcome and housekeeping	LA	<ul style="list-style-type: none"> Meeting opened at 11.03am
3	Apologies	LA	<ul style="list-style-type: none"> Rosemary Hadaway (RH), Mudgee District Environment Group & Watershed Landcare John Kelly (JK), community representative
4	Business arising from last meeting	LA	<ul style="list-style-type: none"> <i>Refer to above table for details of actions from previous meeting.</i>
5	Declarations	LA	<ul style="list-style-type: none"> No changes
6	Correspondence report	LA	<ul style="list-style-type: none"> As included in agenda
7	EnergyCo presentation		
7.1	Project update	CA	<ul style="list-style-type: none"> Update on key engagement activities since the previous CRG meeting. Full details provided on slide 6 in the presentation pack. SE: Are the pop-up displays providing value to EnergyCo? BK responded that the pop-up displays have been a valuable engagement tool for EnergyCo to talk with the community and help raise awareness about the REZ. Community members have expressed positive and negative sentiment at pop-up sessions. ACTION: CA to circulate CRG presentations and minutes to Candidate Foundation Generators (CFGs). This will be shared via EnergyCo's CFG dataroom.
7.2	Consumer Trustee presentation	TA / BSa	<ul style="list-style-type: none"> Provided an overview of the role of AEMO Services as the independent Consumer Trustee and an update on the access right process. AEMO Services runs a 10 year schedule of biannual tenders. The first tender finalised in May 2023 awarded 1.5 GW of generation capacity and long duration storage in NSW and the second and third tenders are currently in progress. A fourth tender is expected to take place in October 2023. BS: Did the first tender apply to the whole of NSW or just the Central-West Orana REZ? BSa: All tenders will be open to whole of NSW, the first tender applied to the whole of NSW, when access rights for REZs are available they will be offered for that particular REZ. Access rights for CWO REZ and projects connecting to new REZ infrastructure in the Central-West Orana REZ is expected to take place in Q4 this year. SE: How will AEMO Services assess how generation projects have carried out community consultation? BSa: Tender Guidelines provide guidance on relevant information projects must provide and what will be assessed in the tender process. Merit Criterion 6 requires the evidence Projects must provide in their Bids to show they have carried out appropriate community consultation. The tender process does not duplicate the planning approval process.

Item	Description	Lead	Updates
			<ul style="list-style-type: none"> SE: AEMO Services should require generation projects to carry out consultation in line with the IAP2 spectrum of public participation as referenced in merit criteria N7 of the tender. BSa: If projects are unable to demonstrate they have carried out meaningful engagement, they will receive a low score for this merit criteria and may be rejected. SE: Engagement is not the same as consultation. Generators have asked the community to provide feedback but not actively involved the community in project design. DT: Will generators pay access fees every year? How long will they pay fees for? BSa: It is expected generators will pay fees for the duration of the access scheme as set by Energy Co likely between 20 to 30 years. DT: What happens after the access scheme finishes? BS: Other fee arrangements will be put in place and the Consumer Trustee will reinstate the access fees if the scheme is extended. BS: Will generators pay access fees to AEMO Services? BSa AEMO Services sets the Access Fee, with the Access Fee being paid to the Roadmap Scheme through the independent Scheme Financial Vehicle. TW noted generators will be required to pay various fees to connect to the transmission network, including contributing to the SBP scheme. DT: Who will pay SBPs to landowners? TW: The appointed Network Operator will pay SBPs to landowners in yearly instalments. ACTION: Provide information on what happens to the SBP scheme after the 20 years of payment ends and how the SBP will be funded.
7.3	CWO access rights update	JR	<ul style="list-style-type: none"> Provided an overview of the access right scheme. EnergyCo is proposing to extend the access right scheme from 20 years to about 30 years. CI clarified that the potential extension of the access right scheme is not an extension of the SBP scheme. The SBP scheme is separate to the access rights scheme. ACTION: Provide further clarification between the SPB scheme and the access rights scheme. DT: NSW Farmers supports an extension of the SBP scheme and would like payments to cover the operational life of the transmission infrastructure. TW said EnergyCo would be happy to meet with NSW Farmers to discuss the various forms of compensation host landowners will receive. CK: Is AEMO Services a federal government organisation? TA: AEMO Services is half owned by AEMO and half owned by the NSW government. CK: Does AEMO Services have the authority to explore other forms of generation? TA: AEMO Services' tenders are technology agnostic, generation includes wind and solar and various technologies can compete on storage – such as batteries. CK: Does generation have to come from a renewable energy source? TA confirmed yes, generation must come from a renewable source. CK: We should not commit to renewable energy for the next 30 years as it will discourage potential investment in other cheaper and more effective forms of generation like nuclear energy.

Item	Description	Lead	Updates
			<ul style="list-style-type: none"> BS: Was AEMO Services involved in the Candidate Foundation Generators (CFGs) selection process? BSa: no, the EOI for CFGs was run by EnergyCo. Clarified that CFGs are not guaranteed access to the REZ transmission network. Generation projects will be awarded access rights through the competitive tender process run by the Consumer Trustee. BS: Is AEMO Services working with EnergyCo to design the REZ transmission project? BSa: no, EnergyCo is developing the REZ transmission Project and determining the terms and conditions for generators to connect to the network. AEMO Services is responsible for setting the fees for access rights BS: Do all generation projects have to be awarded access rights to connect to the REZ transmission network? BSa: Yes. MH: Access fees cover the cost of 20 years of connection to the REZ transmission network. Will the fees be recalculated if the scheme is extended further to 30 years? JR: access fees are made up of different components. If the scheme is extended an additional 10 years then the fees would be spread over a longer period but the total amount paid would remain the same. JR added that fee contributions to community funding would cover the additional 10 years. JC: How will AEMO Services ensure generation projects deliver on their proposed community benefits? BSa: generation projects are contractually bound to deliver on what they put forward in their bid. Remediation can include remediation, make good and termination of long-term energy service agreement.
7.4	Proposed REZ Declaration Amendment	MO	<ul style="list-style-type: none"> MO provided an overview of the CWO REZ declaration amendment which proposes to increase the network capacity of the REZ from 3 GW up to 4.5 GW initially and 6 GW by 2038. MO explained the amendment is required to reflect the size of the project as outlined in the Network Infrastructure strategy (NIS) released by EnergyCo in May 2023. The current proposed design for Stage 1 of the REZ transmission project can support an increased network capacity of 4.5 GW without the need for additional transmission lines or related infrastructure. SE: Is there a documented maximum capacity of the REZ? MO: the current REZ declaration is for 3 GW and this is proposed to be amended to up to 6 GW in line with the Network Infrastructure Strategy. The strategy outlines a development pathway based on our best information today – 4.5GW of capacity by 2027/28 in stage 1, with a potential expansion to around 6 GW by around 2038. There is a less certain potential future beyond 2038 as the electricity system is rapidly changing. ACTION: Provide link to the Network Infrastructure Strategy with the minutes. SE: Has the community been consulted on the amendment? MO: EnergyCo is proposing to invite feedback from the community and stakeholders on the draft declaration amendment over a 28-day public consultation period which is scheduled to begin shortly. ACTION: Notify CRG when consultation begins on the proposed declaration amendment.

Item	Description	Lead	Updates
			<ul style="list-style-type: none"> BS: Will the current proposed generation projects in the REZ meet the increased capacity need? MO: yes, the current proposed CFGs will meet the increased 4.5 GW network capacity. The expansion of the REZ to 6 GW may require an extension of the transmission network. EnergyCo is aware of the cumulative impacts to REZ communities and will seek to actively manage development to avoid further concentration of generation projects in one area. SE: Is the government considering behavioural change programs to reduce electricity consumption instead of increasing capacity to meet energy needs? MO responded that the NSW government has a range of programs under the net zero plan to reduce household/business energy use and use energy more efficiently across all sectors. ACTION: Provide more information on net zero initiatives. MD: Is the New England REZ decreasing in size? MO: No, the New England REZ has an intended network capacity of 8 GW and is not proposed to decrease. DM: The draft NIS outlines a potential expansion of the transmission network towards Tooraweenah. Will the transmission network be extended into this area? MO advised the expansion to the north-west of the REZ is being considered as a potential future extension and is likely to be explored further in the next decade.
7.5	Update on community benefit-sharing	PT	<ul style="list-style-type: none"> Provided an update on EnergyCo's community benefit initiatives and outlined next steps. BS: Are community benefit initiatives only for communities within the boundary of the REZ? PT responded yes, benefits are mostly for communities within the REZ, however EnergyCo is investigating options for communities close to the REZ boundary that are impacted by renewable energy and transmission projects. MH: Will community benefits be funded by generator access fees? PT: yes, EnergyCo is making arrangements to accelerate funding before the access fees commence. TW: EnergyCo plans to start delivering community benefit initiatives later this year. KT: How is community benefit funding being determined? PT: there are multiple funding sources for community benefits in addition to access fees. CI: community benefit initiatives and funding will be outlined in the implementation plan later this year. KH: How will the benefits be provided to communities? CI: the implementation plan will provide the overarching framework for how community benefit initiatives will be delivered. KH: When will we see the implementation plan? CI: later this year. KR: What is the steering committee? CI: includes Mayors, CEOs and/or general managers of Warrumbungle Shire Council, Dubbo Regional Council and Mid-Western Regional Council. Intends to provide coordination on REZ-wide matters, not just community benefit-sharing initiatives. JC: How were the terms of reference determined for the steering committee? CI: the terms of reference are in development for the steering committee. TW: the steering committee will provide ongoing consultation to inform the delivery of community benefits and ensure they remain targeted and fit for purpose. EnergyCo is open to feedback and suggestions for legacy programs.

Item	Description	Lead	Updates
			<ul style="list-style-type: none"> SE: Will the community be included in the steering committee? CI: At this stage no, it is only the participants outlined above.
7.6	Transmission project update: Environmental Impact Statement	BC	<ul style="list-style-type: none"> BC provided an overview of the development of the EIS including a summary of the chapters and the expected timeline for the public exhibition. DT: Is the EIS on schedule? BC advised at this stage, yes. BS: Is the substation at Wollar included in the EIS? CA advised yes. BS: 28 days is not long enough to exhibit the EIS. It should be at least six to eight weeks. The size of the report will be overwhelming for the community to review. BC: the decision is up to the Department of Planning (DPE). ACTION: CRG supports LA writing to DPE on its behalf to request an exhibition extension. CK: How can the network capacity increase to 4.5GW without additional network infrastructure? BC: the 500 kV transmission lines can operate at a reduced voltage of 330 kV. Capacity can be increased without the need for additional lines. BS: Does the EIS consider the potential impacts of the REZ transmission network when it is operating at full capacity? BC: yes.
7.7	Housing and accommodation	CA	<ul style="list-style-type: none"> Update not given due to meeting running overtime. Slides will be included in the presentation pack for the CRG to review.
8	Questions and discussion		
8	General business	LA	<ul style="list-style-type: none"> BS: Wollar is not included in the REZ boundary but the Wollar community is affected by the transmission network. All affected communities need to receive community benefit-sharing initiatives. Is it possible to extend the REZ boundary to include Wollar? CA confirmed the REZ amendment does not propose moving or increasing the REZ boundary. However, suggested BS write to EnergyCo during the consultation period to request that community benefit funding is shared among all communities hosting REZ infrastructure, not just those within the declared REZ boundary. ACTION: EnergyCo to provide information about how the CWO REZ boundary was determined. SE: We were never told about an accommodation facility as part of the Merotherie energy hub when we initially inquired as to why the site was so large. Is this facility only for the construction workforce for the REZ transmission project? CA advised yes.
9	Meeting close	LA	<ul style="list-style-type: none"> The next CRG meeting is planned to be held during the upcoming EIS exhibition period. A copy of slides will be distributed with the minutes.

New actions

No.	Action	Responsibility	Update
1	Circulate CRG presentations and minutes to Candidate Foundation Generators (CFGs).	EnergyCo	Documents will be shared in the CFG dataroom.
2	Provide information on what happens to the SBP scheme after the 20 years of payment ends and how the SBP will be funded.	EnergyCo	Under the scheme, landowners would receive annual payments for a period of 20 years after the REZ network is energised. Payments would be made to landowners from the transmission Network Operator and would end after the 20 year period. See attachment A for details on the scheme. Further details are also available by reading the NSW Government's policy paper: energyco.nsw.gov.au/community/strategic-benefit-payments-scheme
3	Provide further clarification between the SPB scheme and the access rights scheme.	EnergyCo	Refer to Attachment A of these minutes.
4	Provide link to the Network Infrastructure Strategy with the minutes.	EnergyCo	energyco.nsw.gov.au/industry/network-infrastructure-strategy-nsw
5	Notify CRG when consultation begins on the proposed declaration amendment.	EnergyCo	Email sent to CRG on Monday 7 August.
6	Provide more information on net zero initiatives.	EnergyCo	See the NSW Climate Energy and Action website for details: energy.nsw.gov.au/nsw-plans-and-progress/government-strategies-and-frameworks/reaching-net-zero-emissions/net-zero
7	EnergyCo to inform LA and the CRG when the date of the EIS exhibition period is confirmed.	EnergyCo	To be actioned.
8	Provide link to the NSW planning portal with the minutes.	EnergyCo	planningportal.nsw.gov.au/major-projects/projects/central-west-orana-rez-transmission
9	CRG supports action for LA to write to DPE on its behalf to request an exhibition extension.	LA	LA will write to DPE to request an extension (before the EIS is lodged).
10	Provide finalised CWO access rights tender guidelines once released by the Consumer Trustee.	EnergyCo	On hold: Tender has moved to Q4 2023. CRG will be updated at this time.
11	Provide response to DT's email regarding compensation, land tax and strategic benefit payments.	EnergyCo	Refer to Attachment B of these minutes.

Next meeting

Date: Tuesday 19 September (TBC – subject to exhibition period timing)

Time: 10am to 12pm

Topic: Environmental Impact Statement briefing

Venue: Online via Microsoft Teams – link to be circulated prior to the meeting.

EnergyCo's Dubbo office conference room at 155 Macquarie Street will be available for CRG members to attend in person if they are unable to join online.

Future meetings

To be confirmed.

Attachment A: Clarification on the NSW Government's Strategic Benefit Payment Scheme and the CWO REZ Access Rights Scheme

	Strategic Benefit Payment Scheme	CWO REZ Access Rights – Community and employment fees
Overview	<p>The NSW Government introduced the Strategic Benefit Payment Scheme in October 2022. It outlines provisions for additional payments to landowners hosting critical transmission infrastructure.</p> <p>These payments are in addition to the compensation payable to landowners for transmission easement acquisition under the <i>Land Acquisition (Just Terms Compensation Act) 1991</i>.</p>	<p>Generation and storage projects that wish to connect to the Central-West Orana REZ network infrastructure will need to apply for an access right through a competitive tender run by the Consumer Trustee (AEMO Services).</p> <p>Access right holders will be charged access fees that include components to fund community benefit and employment programs. Access fees are set by the Consumer Trustee. Generators would start paying access fees once their projects are operational.</p>
Purpose	<p>The scheme is a community benefit-sharing initiative aimed at facilitating the timely delivery of the energy transition in NSW, while ensuring direct benefits are provided to landowners who will be hosting major transmission projects.</p>	<p>Through the collection of access fees, renewable energy generation and storage projects will contribute millions of dollars in funding for community benefit sharing and employment purposes to be distributed across REZ communities.</p>
How funding is administered	<p>Under the scheme, eligible private landowners will receive annual payments for hosting transmission infrastructure on their land for a period of 20 years. Payments will start once the transmission line becomes energised (operational). The Central-West Orana REZ network is expected to become operational in 2027/2028.</p> <p>Landowners will receive the payments directly from the transmission Network Operator.</p> <p>The Network Operator's costs for the Central-West Orana REZ transmission project will be recovered from energy consumers through the regulatory framework under the <i>Electricity Infrastructure Investment Act 2020</i>.</p>	<p>EnergyCo will manage the component of the generator access fees to be used for community and employment purposes.</p> <p>EnergyCo is investigating opportunities to front-end this funding so that community and employment benefits can be delivered before the REZ network is energised. We will provide an update on this work later this year.</p>
For more information	<p>energyco.nsw.gov.au/community/strategic-benefit-payments-scheme</p>	<p>REZ access schemes: energyco.nsw.gov.au/industry/access-schemes</p> <p>Access rights tender updates: energyco.nsw.gov.au/industry/access-right-tender-updates</p> <p>The Consumer Trustee: amoservices.com.au</p>

Attachment B: Response to questions from D. Thorne

How is compensation calculated for property acquisition?

There is no blanket rate EnergyCo uses to acquire property or easements over property for the purposes of constructing and operating relevant transmission infrastructure.

Property acquisition by Government in NSW, including the establishment of easements, is governed by the *Land Acquisition (Just Terms Compensation) Act 1991 (the Act)*. The Act provides the procedures that an Acquiring Authority such as EnergyCo must follow to acquire land from a landowner. The Act also sets out the framework for determining an affected parties' entitlement to compensation. Every matter is assessed individually taking a wide range of factors into consideration and undertaken in accordance with the requirements set out in the Act.

EnergyCo has engaged a *qualified valuer* to help inform its assessment of compensation. The valuer will take into consideration a number of factors when making these assessment including the interest to be acquired, the location and area of land affected, impact of any impacted improvements, zoning and recent sales in the area. EnergyCo has encouraged landowners to obtain their own independent legal and valuation advice to help them through this process, including assistance in assessing EnergyCo's offer.

If the parties are unable to reach a negotiated agreement, the relevant property interest(s) would be acquired through a compulsory process with compensation to be determined by the NSW Valuer General. It is EnergyCo's strong preference to resolve all matters by negotiated agreement with impacted landowners.

Compensation will be assessed on the same basis irrespective of whether an acquisition is resolved by negotiated agreement or by compulsory process.

Further details are available in the following resources:

- EnergyCo's property and easement acquisition fact sheet: <https://www.energyco.nsw.gov.au/sites/default/files/2023-05/cwo-rez-fact-sheet-property-easement-acquisition.pdf>
- NSW Government's Property Acquisition website: <https://www.nsw.gov.au/housing-and-construction/property-acquisition/valuations-and-compensation>.

What are the implications to land tax if property is rezoned?

If land from an agricultural zoning was reclassified to an industrial zoning, this may result in an owner having an increased land tax liability where the unimproved value of that land increases as a consequence of that rezoning.

EnergyCo is not the authority responsible for the zoning or rezoning of land in NSW. This process is administered by the relevant local council together with the Department of Planning and Environment. EnergyCo is not aware of any rezoning proposals being considered as part of the Central-West Orana REZ.

What happens to access fees after the 20 years of paying landowners their compensation?

The access fees paid by generators are separate to the payments made to landowners under the Strategic Payment Benefit Scheme. Refer to Attachment A for information.