

EnergyCo Market Information Notice

Central West Orana Renewable Energy Zone (CWO REZ)

Monday, 22 January 2024

Expedited application process for initial tranche of CWO REZ access rights

This information notice is to inform stakeholders that EnergyCo will administer an expedited application process to allocate the initial tranche of access rights for generators seeking access to the new CWO REZ network commencing in Q1 2024.

The NSW Government is fast-tracking a package of reforms to enable EnergyCo to allocate an initial tranche of access rights under the CWO REZ access scheme, ahead of financial close of the CWO REZ network project. For future allocations of access rights to the CWO REZ network, the Government intends to use a tender process run by AEMO Services.

The reforms will involve amendments to the *Electricity Infrastructure Investment Regulation 2021*, the Guidelines for Access Scheme Declarations and the CWO REZ Access Scheme Declaration. The reforms will enable EnergyCo to establish and administer an expedited application process to allocate access rights and clarify the responsibilities of AEMO Services as Consumer Trustee and EnergyCo as Infrastructure Planner under access schemes.

EnergyCo will work closely with AEMO Services, the Department of Climate Change, Energy, the Environment and Water and the preferred network operator for the CWO REZ to support delivery of the expedited application process.

AEMO Services' competitive tender schedule, as outlined in the recently released [Infrastructure Investment Objectives Report](#), remains unchanged. This includes the eventual joint offering of Long-Term Energy Service Agreements and access rights in other REZs together in a single competitive tender process.

Background

Access schemes declared under the *Electricity Infrastructure Investment Act 2020* are a key part of the NSW Government's plan to coordinate renewable energy and storage investment in REZs and realise the objectives of the NSW Electricity Infrastructure Roadmap. Generation and storage projects seeking connection to CWO REZ network infrastructure to which the CWO REZ Access Scheme applies will need to hold an access right allocated by EnergyCo.

In response to the Electricity and Reliability Check Up report, the NSW Government has made Roadmap implementation a strategic whole-of-Government priority and directed EnergyCo to prioritise achieving financial close of the CWO REZ network project.

In December 2023, the NSW Government increased the intended network capacity of the CWO REZ to 6 GW, with a 4.5 GW initial stage, and entered into a Commitment Deed with ACERREZ, the preferred network operator for the CWO REZ. The Commitment Deed governs the critical activities to reach financial close in 2024, including progressing the network design and ordering long lead time equipment. To facilitate timely decisions in network design, EnergyCo will allocate the initial tranche of access rights. This will enable hub-to-project and centralised system strength solutions to be built alongside the backbone network, getting new renewable energy to consumers faster.

Allocating the initial tranche of CWO REZ access rights

To obtain initial access rights for the CWO REZ, projects will be required to demonstrate compliance with a set of minimum criteria. Where appropriate, and relevant to support developers seeking LTESAs in tenders run by AEMO Services, the access rights application process, including the minimum criteria, will build upon the work undertaken to date by AEMO Services while ensuring a fit for purpose process.

To maintain the integrity of the LTESA tender process, the amendments to the regulations will require a sunset date on access rights should access right holders fail to progress their project in a timely way. When applying to EnergyCo for an access right, project proponents will nominate a date by which their project will have met AEMO's project commitment criteria. If access right holders cannot demonstrate the project is committed by this date, their rights and any associated agreements will terminate, unless an extension has been agreed with EnergyCo.

Access right holders will be eligible to bid for LTESAs until they have achieved this committed status.

Information for projects seeking access rights outside CWO REZ initial tranche

The current expectation is that these reforms will not alter tender processes for awarding access rights outside of the CWO REZ or beyond the initial tranche for CWO REZ. This means, projects seeking both an access right and an LTESA in other declared Renewable Energy Zones with an access scheme would need to bid for both products simultaneously in a single competitive tender round. Projects seeking an access right in the CWO REZ when this application process expires will bid for an access right (with an LTESA, if also sought) through an ASL competitive tender.

Next steps

Further details of the timing and form of the expedited application process and amendments to supporting regulatory instruments will be provided shortly, including through interactive sessions with relevant project proponents commencing in February 2024. Template access right agreements will be issued in February 2024 and an application guideline will be issued in March 2024.

Further consultation with relevant project proponents on the finalisation of key access rights guidance, contracts and agreements, including: Access Fee Determination (AEMO Services); Access Payment Deed (AEMO Services); Project Development Agreements (EnergyCo); and Energy Supply Connection Deed (ACERREZ) will also commence in February 2024.

AEMO Services will continue to determine the access fees for CWO REZ access right holders. Consultation on the Access Fee Determination run by AEMO Services will commence in the week of 22 January 2024.

For any enquiries related to this information notice, please contact EnergyCo at CWO.access@energyco.nsw.gov.au

For any enquiries related to AEMO Services tenders, please contact AEMO Services at stakeholderengagement@aemoservices.com.au

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