

Property and easement acquisition

Central-West Orana Renewable Energy Zone (REZ)

May 2023

Frequently asked questions

Q. Why is EnergyCo acquiring land for the REZ transmission project?

EnergyCo is leading the delivery of new high capacity transmission infrastructure for the Central-West Orana REZ to enable renewable energy to be exported to electricity consumers across the state. This includes new energy hubs, overhead transmission lines and related infrastructure.

EnergyCo is acquiring land and easements in the REZ to construct and operate the REZ transmission network. This includes acquiring parcels of land for energy hubs and switching stations, as well as the acquisition of easements and accesses where transmission lines cross private property.

Q. Why is the REZ transmission infrastructure located on private land?

EnergyCo has designed the route for the new transmission infrastructure to minimise impacts to sensitive land uses and local communities as much as possible. This includes locating the route through mining areas as well as following existing transmission line easements and wind and solar development areas where possible.

We are making every effort to minimise impacts to local landowners, however we will need to build the transmission route on private land in areas. The new transmission lines will be vital in distributing power from wind and solar projects onto the NSW high voltage transmission network.

Q. Why is EnergyCo acquiring land before the REZ transmission project is approved?

The Central-West Orana REZ has been declared a Critical State Significant Infrastructure project and is essential to the NSW energy transition from coal-fired power generation to renewables. The REZ requires new transmission infrastructure to support future energy distribution across the state.

The property acquisition process is being carried out during the final stages of development for the REZ transmission project to support the timely construction and operation of the new network following expected project approval in 2024.

Q. What is the status of the REZ transmission project?

EnergyCo is preparing an Environmental Impact Statement (EIS) which will be displayed for public exhibition in the third quarter of 2023. Subject to the assessment process, it is expected that the project will receive development approval in 2024.

Q. How will EnergyCo acquire private land for the REZ transmission infrastructure?

Property acquisition in NSW is governed by the *Land Acquisition (Just Terms Compensation) Act 1991 (the Just Terms Act)*. The Act is designed to ensure that landowners are treated with respect and fairly compensated for acquisitions and easements and encourages acquisition of land by negotiated agreement. The Act enables EnergyCo to acquire easements to build transmission

infrastructure in the REZ. It is EnergyCo's preference to acquire all easements by negotiated agreement with landowners.

We aim to acquire easements by negotiated agreement wherever possible, however there may be instances where we can't reach an agreement. In these cases, we may then proceed to acquire the easement by compulsory acquisition in accordance with the *Just Terms Act*.

Q. What are easements?

Easements are essential to making sure EnergyCo can deliver secure, safe and reliable electrical infrastructure in the REZ. Easements are established via an agreement between EnergyCo and the subject landowner which allows EnergyCo to access and use a section of private land for the REZ transmission network. Landowners can generally continue using land that has an easement on it, however this will be subject to certain restrictions to ensure public safety and to maintain the reliable operation of the electricity network.

Some easements may be only required temporarily during the construction period.

Further information can be found in EnergyCo's fact sheet on living and working near transmission easements, which is available to view at energyco.nsw.gov.au/cwo/project-documents.

Q. Will landowners be compensated for hosting transmission infrastructure?

Landowners are entitled to compensation under the *Just Terms Act* should EnergyCo require any part of their land for hosting transmission infrastructure. Compensation typically includes:

- market value of the property interests required for the easement or freehold property acquired
- the reimbursement of reasonable fees incurred by the landholder in obtaining independent legal and valuation advice.

Entitlement to compensation is the same whether the easement is acquired by mutual agreement or through compulsory acquisition. For more information on valuation and compensation, please see our transmission easement acquisition fact sheet at energyco.nsw.gov.au/cwo.

Landowners hosting transmission infrastructure will receive an additional payment under the Strategic Benefit Payment Scheme.

Q. How is compensation determined under the Act?

The value of property interests will be determined by a suitably qualified valuer engaged by EnergyCo. This valuation will help inform the compensation EnergyCo will offer the landowner. The valuer will determine the compensation amount under the *Just Terms Act*. Depending on the circumstance, several types of compensation may apply to a landowner and other interests in the property.

EnergyCo recommends that affected landowners engage their own legal advisor and qualified valuer to assist them in this process. EnergyCo will reimburse professional costs such as legal and valuation fees reasonably incurred by a landowner in relation to the acquisition as part of the agreed compensation.

Q. When will compensation be paid?

The first compensation payment will typically be paid shortly after (around 20 business days) the Deed of Agreement has been executed. The first payment will typically include 80 per cent of the agreed market value compensation for the acquisition of permanent interests in the land and 100 per cent of the agreed disturbance costs.

The second payment will be paid upon completion of the registration of the easement and includes the remaining 20 per cent of the agreed market value together with the statutory interest calculated from the date of the Deed until the date of final payment of compensation.

Q. What is involved in the property acquisition process?

Following initial consultation with landowners, opening letters will be issued to all parties from whom an interest in land is needed to be acquired. This letter will advise of the intended acquisition and of the interests in land which are to be acquired from the owner's land as will be depicted in an enclosed Sketch Plan. Issuing an opening letter marks the beginning of the formal negotiation process.

EnergyCo will arrange for a qualified valuer representing EnergyCo to undertake a valuation of the landowner's entitlement to compensation in accordance with Act.

Based on the EnergyCo valuation report, EnergyCo will make a formal offer to the Landowner which contains all heads of compensation relevant to the temporary and permanent interests in land which are being acquired, including the permanent transmission easement.

Following the reaching of agreement in principle with the landowner, EnergyCo would issue a revised formal offer which confirms the essential terms of the agreement, including compensation. EnergyCo's legal representative would then prepare and issue to the landowners lawyer a Deed of Agreement which will detail all elements of the agreement

Landowners will be supported by an acquisition team to guide and support them through the property acquisition process. EnergyCo will negotiate with landowners and their chosen appointed independent legal and valuation advisors to reach an acquisition agreement.

More information on the acquisition process is available in our transmission easement acquisition fact sheet at energyco.nsw.gov.au/cwo.

Q. How long does property acquisition take?

EnergyCo will negotiate with landowners and registered interest holders for at least six months to acquire a property or easement by mutual agreement before initiating the compulsory acquisition process. Once the compulsory acquisition process has started, negotiations can continue for a further three months in order to reach a negotiated agreement between landowners and EnergyCo.

EnergyCo considers it to be in the best interest of all parties to resolve a matter by negotiated agreement.

Q. What happens if EnergyCo cannot come to an acquisition agreement with a landowner?

If an agreement cannot be reached during the six month negotiation period, a compulsory acquisition process may be commenced in accordance with the *Just Terms Act*. Under this process a Proposed Acquisition Notice (PAN) will be issued to the landowner. Negotiations would continue to occur during the PAN period. If an agreement cannot be reached, the acquisition would be gazetted and compensation would, in accordance with the Act, be determined by the Valuer General.

If the final determination is not accepted, the landowner has a right to object to the determination in the Land and Environment Court.

Q. Will EnergyCo own the land it acquires?

EnergyCo will acquire the freehold interest in the land for energy hubs and switching stations. EnergyCo will acquire an easement interest in the land which is required for transmission lines and accesses. Easement acquisition agreements include access rights to the land for the construction, operation, and maintenance of the transmission infrastructure.

Q. Will I need to rezone my land?

EnergyCo does not require land to be rezoned for the REZ transmission project. This is in accordance with the NSW State Environmental Planning Policy (Transport and Infrastructure) 2021. As land use zoning has no impact on the permissibility of the project, no action is required by landowners to change their zoning in order to host transmission infrastructure.

Q. Will EnergyCo provide landowners with a copy of the terms of the easement?

Yes. Landowners will be provided with the terms of the easement as part of the land acquisition opening letter.

Q. Can EnergyCo recommend a solicitor or valuer?

EnergyCo cannot suggest a solicitor or valuer as they need to remain independent to EnergyCo. We advise landowners to select a solicitor and valuer with experience in the Just Terms acquisition process.

The Australian Property Institute and the Australian Valuers Institute can provide independent information on finding a qualified valuer. The NSW Law Society provides independent information on finding a lawyer. Please see our transmission easement acquisition fact sheet at energyco.nsw.gov.au/cwo/project-documents for a list of resources to support you through the acquisition process.

Q. Will EnergyCo provide compensation for legal and valuation fees?

Yes, EnergyCo will reimburse professional costs such as legal and valuation fees reasonably incurred by a landowner in relation to the acquisition as part of the agreed compensation in accordance with the Just Terms Act.

Q. What is the Strategic Benefit Payment Scheme?

To support the delivery of a modern electricity grid for NSW that benefits communities and consumers, the NSW Government has established a Strategic Benefit Payment Scheme (SBP Scheme) for new major transmission projects.

Under the SBP Scheme, private landowners hosting new high voltage transmission projects critical to the energy transformation and future of the electricity grid will be paid a set rate of \$200,000 per kilometre of transmission hosted, paid out in annual instalments over 20 years. This is in addition to the compensation private landowners are entitled to under the *Just Terms Act*.

Further information about the Strategic Benefit Payment Scheme is available on EnergyCo's website at energyco.nsw.gov.au/community/strategic-benefit-payments-scheme.

Q. Where can I find more information?

EnergyCo has a dedicated acquisition support team to guide and support landowners through the property acquisition process. You can contact us on 1800 032 101 (9am-5pm, Monday to Friday) or by emailing cwo@energyco.nsw.gov.au.

Further information about property acquisition in NSW is available on the NSW Government's Centre for Property Acquisition website at nsw.gov.au/housing-and-construction/property-acquisition.

External help and support avenues are also available at the Centre of Property Acquisition support line on 1300 089 551.