

# Central-West Orana REZ network infrastructure project

Recommendation to transfer Barigan Creek Switching Station from ACEREZ Partnership to Transgrid | November 2025

EnergyCo has made a recommendation to ASL, in its capacity as the Consumer Trustee, to approve the transfer of ownership of Barigan Creek Switching Station from ACEREZ Partnership to Transgrid.<sup>1</sup>

#### Overview of the Central-West Orana REZ

The Central-West Orana Renewable Energy Zone (REZ) network infrastructure project is the first network infrastructure project authorised as being in the long-term financial interests of NSW electricity customers by ASL under the NSW *Electricity Infrastructure Investment Act 2020*. The project will provide 4.5 GW of network transfer capacity and is expected to deliver over \$3 billion (net present value, \$2022) of net benefits to NSW electricity consumers to 2078.² It is also expected to drive up to \$25 billion in private investment in solar, wind and energy storage projects. It is forecast to support an annual average of about 1,850 direct jobs in the local area during construction, and about 930 ongoing operational jobs from 2034. Further information on the Central-West Orana REZ network infrastructure project can be found on the *EnergyCo website*.

The sections below outline the Barigan Creek Switching Station, its purpose and why EnergyCo has recommended that it be transferred from ACEREZ Partnership to Transgrid.

## **Barigan Creek Switching Station**

The Barigan Creek Switching Station will be a new 500 kilovolt (kV) switching station along the existing 500kV transmission network. It will be located outside the eastern end of the Central-West Orana REZ, around six kilometres south of the township of Wollar, and 320 metres southwest of Transgrid's Wollar Substation off Barigan Road. The switching station will provide a connection point between the main Central-West Orana REZ network infrastructure project and the existing

<sup>&</sup>lt;sup>1</sup> EnergyCo has made the recommendation in accordance with clause 21(2)(a) of the *Electricity Infrastructure Investment Regulation 2021* to AusEnergy Services Ltd (ASL) in its capacity as the Consumer Trustee.

<sup>&</sup>lt;sup>2</sup> The expected net benefits of \$3 billion (net present value, \$2022) is relative to a counterfactual where the CWO REZ is not developed, but the minimum Infrastructure Investment Objectives of 12 GW of additional generation infrastructure by 2030 are still achieved.

transmission network. Figure 1 illustrates the location of Barigan Creek Switching Station.

Figure 1: Map of authorised main Central-West Orana REZ network infrastructure project, including location of Barigan Creek Switching Station



Source: AEMO Services, Notice of Authorisation - Main CWO REZ Network Infrastructure Project, 4 June 2024

ACEREZ Partnership is the authorised network operator for the main Central-West Orana REZ network infrastructure project, which includes Barigan Creek Switching Station. Transgrid is the authorised network operator for the enabling Central-West Orana REZ network infrastructure project (required to connect the main Central-West Orana REZ infrastructure project to the NSW electricity transmission network).

# Why the transfer was recommended

EnergyCo has recommended that upon construction completion by ACEREZ Partnership, Barigan Creek Switching station is transferred to Transgrid to commission, own and operate. The transfer has been recommended to mitigate risks to power system security on the NSW electricity network.

- Barigan Creek Switching Station will cut into Transgrid's 500kV lines between Bayswater, Wollar and Mt Piper Substations. These lines perform an important role in Transgrid's network, including in the transmission of electricity to major load centres (Sydney, Newcastle and Wollongong). Once it cuts into Transgrid's 500kV lines, Barigan Creek Switching Station will control the connection and disconnection of those lines. Improper disconnection of Transgrid's 500kV lines at Barigan Creek Switching Station could cause an outage of Transgrid's 500kV lines and have significant impacts on the NSW electricity network.
- Therefore, to mitigate risks to power system security it is appropriate for Transgrid to gain operational control of Barigan Creek Switching Station so it can manage connections and disconnections impacting its 500kV lines, and also to connect the main Central-West Orana REZ network infrastructure to its network.

The proposed transfer was developed jointly by EnergyCo, ACEREZ Partnership and Transgrid.

The Consumer Trustee's <u>Notice of Authorisations</u> for the main and enabling Central-West Orana REZ network infrastructure projects provide for the transfer of REZ network infrastructure project assets between authorised network operators i.e. between ACEREZ Partnership and Transgrid.

# Impact on the long-term financial interests of NSW electricity customers

The recommended transfer of Barigan Creek Switching Station from ACEREZ Partnership to Transgrid does not create any additional capital expenditure or financial risk and as such will not have a material impact on the long-term financial interests of NSW electricity customers.

## **Next Steps**

If the recommended transfer is approved by the Consumer Trustee, Barigan Creek Switching Station:

- will cease to be authorised under the "Notice of Authorisation Main Central-West Orana REZ Network Infrastructure Project" as ACEREZ Partnership will cease to be the authorised network operator for Barigan Creek Switching Station; and
- will be deemed to be network infrastructure authorised under the "Notice of Authorisation Enabling Central-West Orana REZ Network Infrastructure Project" as Transgrid will become the authorised network operator for Barigan Creek Switching Station.

Once ACEREZ Partnership completes construction of Barigan Creek Switching Station (expected by 2027), Transgrid will commission and connect Barigan Creek Switching Station to its high voltage network and be responsible for its long-term operations and maintenance.