



Consumer  
Trustee

# Central-West Orana Renewable Energy Zone (CWO REZ)

May 2025

## Access Fee Guidelines

Final Edition



## ACKNOWLEDGEMENT OF COUNTRY

AEMO Services would like to acknowledge the Traditional Owners of country throughout Australia and recognise their continuing connection to land, water and culture.

We pay our respect to their Elders, past and present.



# Important notice

The CWO REZ Access Fee Guidelines (**Guideline or Guidelines**) supersede the information contained in the Draft Tender Information – CWO REZ Access Fee Update (**Update**) document published by the Consumer Trustee in September 2023, and the CWO REZ Access Fee Guidelines in April 2024 and October 2024.

These Guidelines are provided to CWO REZ Access Rights Holders (**ARHs**) connecting into the CWO REZ access rights network following an access right application process conducted by the Energy Corporation of New South Wales (ABN 13 495 767 706) (**EnergyCo**) in 2024 (**Initial Allocation**). These Guidelines contain important information on the fees payable (**Access Fees**) by ARHs to the Scheme Financial Vehicle (**SFV**), for each project connecting to the CWO access rights network.

Capitalised terms used in these Guidelines and not otherwise defined in this document take their meaning from the Renewable Energy Zone (Central-West Orana) Access Scheme Order 2022 and Renewable Energy Zone (REZ) (Central-West Orana) Access Scheme (Amendment) Order 2024 (**Access Scheme Declaration**) under the *Electricity Infrastructure Investment Act 2020* (NSW) (**EII Act**).

To the extent that these Guidelines may materially differ from the requirements of the EII Act, *Electricity Infrastructure Investment Regulation 2021* (NSW) (**EII Regulation**), or Access Scheme Declaration, the Consumer Trustee may, in its discretion, notify ARHs as to the interpretation that will apply in order to resolve such inconsistency.

## DISCLAIMER

This document has been prepared by AEMO Services Limited (ABN 59 651 198 364) (**AEMO Services** or **ASL**).

AEMO Services has published these CWO Access Fee Guidelines to outline the expected Access Fee methodology and CWO REZ Access Fee settings for the CWO REZ Access Scheme (**Access Scheme**) declared in the Access Scheme Declaration. It is intended to assist ARHs in understanding the expected Access Fees which will be payable by ARHs to the SFV. This document is not, and is not indicative of, the final Access Fee Determination of the Consumer Trustee, nor is this document a tender document.

The information in these Guidelines is based on the best available information at this time, and may be subject to change. The Consumer Trustee may revise the Access Fee methodology and settings to ensure that it complies with its statutory obligations. Nothing in this document should be construed as binding the Consumer Trustee or limiting its statutory discretion. The Consumer Trustee reserves the right to revise any aspect of this document in its absolute discretion.

AEMO Services does not guarantee the accuracy, currency or completeness of any information contained in this document and (to the maximum extent permitted by law) expressly disclaims all liability relating to or resulting from reliance on it or resulting from the exercise of any discretion, or the making of any decision, by AEMO Services, as the Consumer Trustee under the EII Act.

Where there is a discrepancy between the Guidelines and the Access Right Agreements as defined in this document, the Access Right Agreements will prevail.

All dollar amounts in the Guidelines are in Australian dollars.

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## VERSION CONTROL

Version	Release date	Changes
Rev1	October 2024	The document has been revised to include updated cost and cost assumptions provided by EnergyCo, with adjustments made to the Access Fee Determination section to reflect the current position and to improve transparency for prospective Access Right Holders.
Rev2	May 2025	The document has been updated to its final form, reflecting recent changes and amendments and superseding previous versions of the Guidelines.

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# 1. Introduction

Access Schemes declared under the EII Act are a key part of the NSW Government’s plan to coordinate renewable energy and storage investment in Renewable Energy Zones (**REZs**) and meet the objectives of the NSW Electricity Infrastructure Roadmap (**Roadmap**).

The CWO REZ Access Scheme was formally declared on 19 December 2022,<sup>1</sup> outlining the electricity network that new generation and storage projects (**Projects**) will require rights to connect into the access rights network (**access rights network**). A holder of an Access Right may apply to connect an approved Project to the access rights network and send out generation into the network up to its allocated maximum capacity.

AEMO Services, as the NSW Consumer Trustee, will determine the fees payable to the SFV by ARHs in an Access Scheme under section 26 of the EII Act.

The information provided in these Guidelines outlines for the CWO REZ:

- how Access Fees are expected to be structured and set, including the fee components, their methodologies and quantum; and
- how Access Fees are expected to be determined and adjusted under the Access Fee Determination.

The table below presents a summary of the sections in this Guidelines.

**Table 1: Summary of main sections of the CWO REZ Access Fee Guidelines**

Section	Content
<b>Section 1: Introduction</b>	Outlines the purpose of this document, the roles and responsibilities of Roadmap entities in the Access Scheme, and the contractual structure of the CWO REZ.
<b>Section 2: CWO REZ Access Fee Structure</b>	Outlines the Access Fee principles that inform the development of the Access Fee structure, explains the centralised procurement model used for access right network assets, how Access Fees are structured, and provides important clarifications related to the Access Fee methodology.
<b>Section 3: CWO REZ Access Fee Assumption and Calculation</b>	Outlines how the Access Fee Formula is used in the Access Fee Determination to calculate the Access Fees, including key inputs and outputs.
<b>Section 4: The Access Fee Determination Process &amp; Adjustments</b>	Outlines the Access Fee Determination process, and the mechanism through which Access Fees may be adjusted (Variation Events).
<b>Section 5: Appendix</b>	Provides information on CWO REZ Access Fee inputs to help ARHs understand the calculation of Access Fees in the Access Fee Determination for each Project.

<sup>1</sup> Renewable Energy Zone (Central-West Orana) Access Scheme Order 2022 and Renewable Energy Zone (REZ) (Central-West Orana) Access Scheme (Amendment) Order 2024 under the *Electricity Infrastructure Investment Act 2020* (NSW).

## 1.1 Roles and responsibilities of Roadmap entities in the Access Scheme and setting the Access Fee

The process for allocating Access Rights and determining and enforcing the Access Fee requires input and involvement from a number of Roadmap entities. The roles and responsibilities of each entity is governed by the EII Act, the EII Regulation, and the Access Scheme Declaration. Table 2 below provides a summary breakdown of these roles and responsibilities.

**Table 2: Roles and responsibilities of entities in determining Access Fees and allocating Access Rights for CWO REZ**

Term	Responsibilities
<b>Infrastructure Planner or EnergyCo</b>	<p>EnergyCo as the appointed Infrastructure Planner is responsible for:</p> <ul style="list-style-type: none"> <li>• Administering the Access Scheme.</li> <li>• Granting an Access Right or approving a change to the maximum capacity of an Access Right.</li> <li>• Publishing the template Access Project Development Agreement (<b>PDA</b>).</li> <li>• Providing inputs into the Access Fee calculations for the consideration of the Consumer Trustee, including costs and assumptions for the Hub to Project (<b>H2P</b>) and Centralised System Strength (<b>CSS</b>) assets to be recovered through Access Fees.</li> <li>• Entering into and enforcing the Access PDA with ARHs.</li> <li>• Consulting the SFV and the Consumer Trustee on the terms and conditions, including bonding arrangements of the Access Payment Deed between the SFV and the ARH.</li> <li>• Recommending that the SFV enter into Access Payment Deeds with successful ARHs.</li> </ul>
<b>CWO REZ Network Operator</b>	<p>The Network Operator is responsible for:</p> <ul style="list-style-type: none"> <li>• Procuring and managing the construction of the access rights network, including the H2P and CSS assets.</li> <li>• Registering as a Transmission Network Service Provider (<b>TNSP</b>) in respect of the access rights network and entering into the connection agreement with ARHs.</li> <li>• Operating, maintaining, and controlling the access rights network including the H2P and CSS assets over the concession period as a TNSP (once registered).</li> </ul>
<b>Consumer Trustee or AEMO Services</b>	<p>For Access Fees, the Consumer Trustee is responsible for:</p> <ul style="list-style-type: none"> <li>• Determining the Access Fees for successful ARHs.</li> </ul> <p>For Access Rights, the Consumer Trustee is responsible for:</p> <ul style="list-style-type: none"> <li>• Making rules, in consultation with the Infrastructure Planner, about the conduct of a competitive tender (following the initial tranche) in relation to the granting or increasing of Access Rights.<sup>2</sup></li> <li>• Making recommendations in the form of a report to the Infrastructure Planner based on the outcomes of future competitive tenders for Access Rights.</li> </ul>
<b>SFV</b>	<p>The SFV is responsible for:</p> <ul style="list-style-type: none"> <li>• Entering into and enforcing the Access Payment Deed with ARHs.</li> <li>• Collecting Access Fees and managing bonding securities, consistent with the terms of the Access Payment Deed.</li> </ul>

<sup>2</sup> The competitive tender for the Initial Tranche of CWO REZ Access Rights was conducted by EnergyCo.

## 1.2 Relevant documents and contractual structure

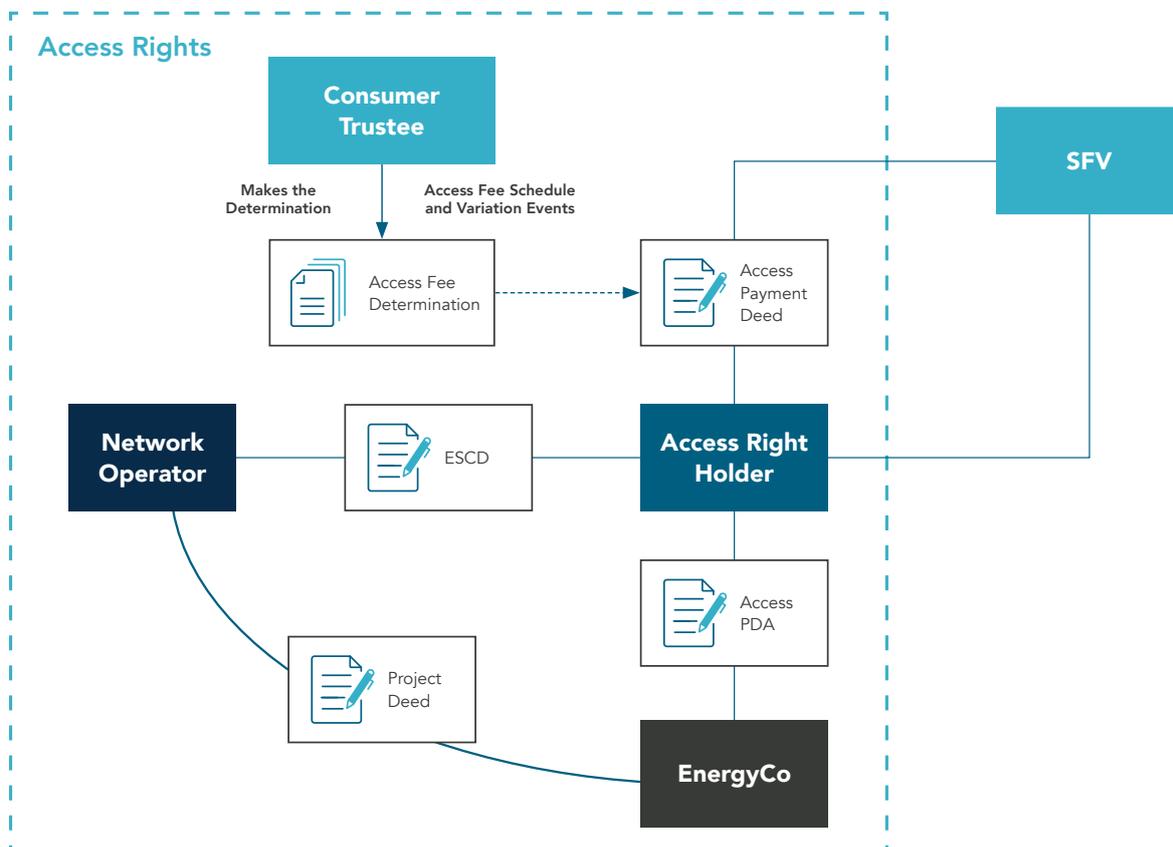
This document should be read in conjunction with the latest version of the documents set out in the table below, where available. The documents relating to Access Fees are the Access Payment Deed, and the Access Fee Determination, which are described within these Guidelines.

**Table 3: Relevant documents**

Documents and tools	Description
<b>Access Fee documents</b>	
Access Payment Deed (APD)	The APD is executed by the ARH and the SFV and sets out the terms and conditions for providing securities and paying the Access Fees (as determined under the Access Fee Determination) to the SFV.
Access Fee Determination (AFD)	The AFD is the statutory decision by the Consumer Trustee that sets Access Fees for each individual Project. It also contains mechanisms for adjusting the Access Fees (see section 4).
<b>Other agreements</b>	
Access Project Development Agreement (Access PDA)	The Access PDA is executed by the ARH and EnergyCo and contains obligations relating to the development and operation of a Project, including the technical specification of the Project, development and construction milestones, social license commitments and other terms and conditions of the Access Right.
Energy Supplier Connection Deed (ESCD)	The connection agreement executed between the ARH and the Network Operator setting out the terms and conditions of the Project's connection to the access rights network.
Project Deed	The Project Deed between EnergyCo and Network Operator contains the obligations, development, and construction milestones for the access rights network.

The diagram in Figure 1 provides an overview of the key Access Right Agreements to support the delivery of the CWO REZ Access Scheme.

**Figure 1: Contract structure applicable to CWO REZ Access Rights**



## 2. CWO Access Fee Structure

This section explains the principles used by the Consumer Trustee in determining the Access Fee in accordance with section 26 of the EII Act. The EII Act sets a series of considerations and minimum requirements that must be met in the structuring and setting of Access Fees.

### 2.1 CWO REZ Access Fee principles

In determining the Access Fee, the Consumer Trustee will take into account the principles prescribed by subsection 26(1) of the EII Act. These are:

- Maximising financial value for NSW electricity customers;
- Recovering the cost of the operation of the Access Scheme;
- Optimal use of the existing and planned network infrastructure in the renewable energy zone; and
- Other principles prescribed by the regulations including the EII Regulation that prescribes the principle of transparency in total determined or expected fees payable under the access scheme for participants.<sup>3</sup>

Subsections 26(2) and (4) of the EII Act mandate that a component of the Access Fee is used for community and employment purposes respectively. The EII Regulation set minimum amounts per megawatt (**MW**) or proportions to be allocated for community and employment purposes. In setting the employment purpose component for Access Fee, the Consumer Trustee must have sought advice from the Employment Purpose Advisory Committee.<sup>4</sup>

The Consumer Trustee will also take into account other mandatory legal considerations, including the long-term financial interests of NSW electricity customers.

### 2.2 Centralised procurement of Centralised System Strength and Hub to Project components

For the Initial Allocation of Access Rights, EnergyCo has developed a centralised procurement model for H2P, and CSS on the access rights network, which will be procured and delivered by the Network Operator for Projects connecting into the access rights network.<sup>5</sup>

A key feature of the Access Fee structure for the CWO REZ is that the expected costs to consumers associated with H2P and CSS assets will be recovered from ARHs.

<sup>3</sup> EII Regulation, clause 55A.

<sup>4</sup> Employment Purpose Advisory Committee under s34W(1)(b) of the *Energy and Utilities Administration Act 1987* (NSW). The CWO Access Fee will include a component allocated to fund community benefit sharing and employment initiatives in impacted communities in the region, as required by the EII Regulation (see Base Fee in section 2.4).

<sup>5</sup> H2P and CSS assets may not be available under future allocations of Access Rights in CWO REZ.

## 2.3 Delivery of connection infrastructure

The EnergyCo application process for the Initial Allocation will be the only opportunity for ARHs to opt for the central delivery (**IP-led model**) of H2P assets. Should ARHs be unsuccessful in the Initial Allocation of CWO REZ Access Rights, H2P network infrastructure may not be included as part of the CWO REZ Access Right in future tender rounds.

Where H2P infrastructure is not included, ARHs will need to finance and procure the delivery of connection assets (**ARH-led model**). ARHs awarded Access Rights in future tender rounds are not expected to be required to pay the H2P Fee component of Access Fees.

The differences between the two models are shown in the table below:

**Table 4: IP and ARH-led model comparison**

Description	IP-led model	ARH-led model
Availability	Only during the process for allocating the initial tranche of CWO REZ Access Rights	Subsequent allocations of CWO REZ Access Rights
Land/development approvals for route	EnergyCo	ARH
Design, Procurement, Construction, Financing	Network Operator	ARH (contestable elements), Network Operator (non-contestable elements)
Ownership, operations & maintenance	Network Operator	ARH (contestable elements), Network Operator (non-contestable elements)

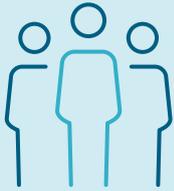
## 2.4 Structure of Access Fees

Access Fees are expected to consist of three components listed in the table below: a Base Fee, paid by ARHs for holding an Access Right, and two additional fee components designed to recover the estimated cost of H2P and CSS assets in CWO REZ. These components are detailed in Table 5 below.

The assumptions for these components (Fee Component) are listed in detail in the Appendix.<sup>6</sup> These assumptions are used as inputs to calculate the Fee Components of the Access Fees in the Determination. While the Consumer Trustee does not expect to make material changes to the structure or methodology of Access Fees after the publication of this document, it retains discretion to do so. If there are material changes to the Access Scheme or new information that necessitate changes to the Access Fee methodology, the Consumer Trustee will act according to the principles outlined in section 2.1 and notify ARHs, EnergyCo and the SFV immediately of any changes.

**Table 5: Access Fee Components**

Fee Component	Scope of Fee
<b>Base Fee</b>	Contributes to initiatives that achieve community and employment purposes; the administration of the Access Scheme; and, residual amounts to reduce consumer contributions to the CWO REZ Network infrastructure.
<b>Hub to Project Fee (H2P Fee)</b>	Contribution required to offset the cost of an ARH's H2P infrastructure. The H2P Fee is calculated using Project specific costs provided by EnergyCo from the Network Operator.
<b>Centralised System Strength Fee (CSS Fee)</b>	Contribution required to offset the cost of CSS infrastructure. The CSS Fee is calculated based on costs provided by EnergyCo from the Network Operator.



### Community and Employment (C&E) initiatives

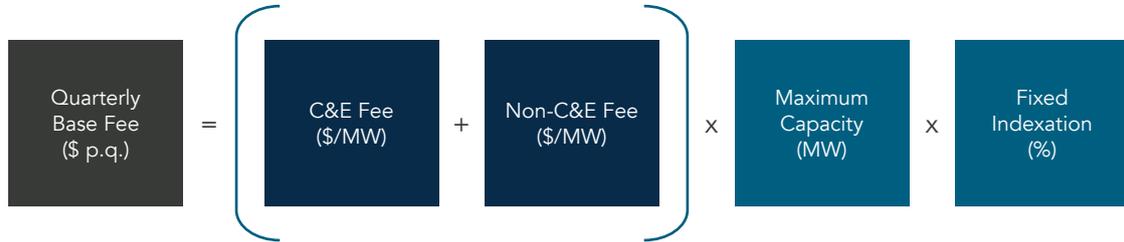
AEMO Services anticipate that most of the Base Fee will go towards supporting community and employment programs and initiatives. The figures are \$425/MW p.q. for community purposes, and \$150/MW p.q. for employment purposes.

<sup>6</sup> Assumptions may be subject to change at the discretion of the Consumer Trustee.

## Base Fee

The Base Fee will include a component to fund initiatives that achieve community purposes and employment purposes in the CWO REZ<sup>7</sup> (**C&E Fee**), with the remainder used to fund Access Scheme administration costs and to reduce consumer contributions to the costs of CWO REZ (**Non-C&E Fee**). The Base Fee component is a fixed per megawatt per quarter fee of maximum approved capacity under an Access Right. The formula for the Base Fee is set out below in Figure 2.

Figure 2: Base Fee calculation



The Base Fee is expected to be calculated using the following assumptions:

- The C&E Fee component is set at a total value of \$575/MW per quarter;
- The Non C&E component is set at a total value of \$425/MW<sup>8</sup> per quarter; and
- Fees are indexed quarterly at a compounded rate equivalent to an annual rate of 2.5% starting from the Access Fee Payment Date.

The C&E Fee component of the Base Fee is a statutory requirement under the EII Act and is payable for the duration of the Access Right.

It is important to note that the Base Fee will be determined by the Consumer Trustee, having regard to a range of statutory considerations.

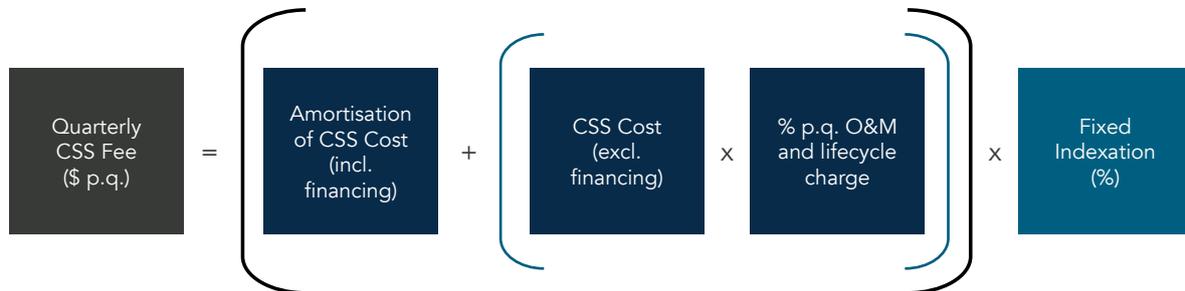
## Fees to recover costs of centrally delivered CSS and H2P assets

The fee components below are intended to offset the costs of the CSS and H2P infrastructure having regard to the technical advice and inputs from the Infrastructure Planner.

### CSS Fee

The CSS Fee relates to the CSS infrastructure for ARHs connecting to the access rights network. This component is a fixed per megawatt per quarter fee of maximum approved capacity under an Access Right. The simplified formula for the CSS Fee is set out below in Figure 3.

Figure 3: Simplified CSS Fee calculation



<sup>7</sup> Refer to EII Act Section 26(2) and 26(4). Note that this fee is subject to the discretion of the Consumer Trustee, provided it remains within the minimum amounts prescribed by EII Regulation (clauses 56 and 57).

<sup>8</sup> \$125/MW p.q. of the total quarterly Non C&E Fee (i.e. 425/MW p.q. represents a contribution to the administration costs in respect of the CWO REZ Access Scheme in accordance with section 26(1)(b) of the EII Act).

The CSS Fee is expected to be calculated using the following assumptions:

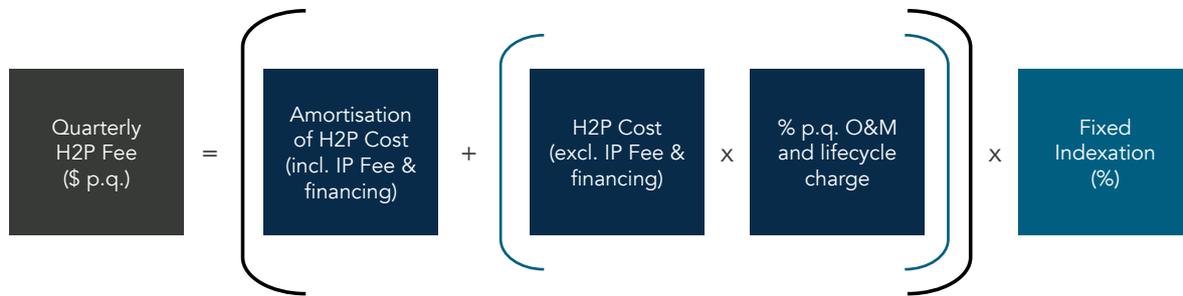
- **Amortisation of CSS Cost:** CSS costs are amortised over their expected asset lives which is 40 years. ARHs pay a \$/MW fee based on their proportion of the expected initial capacity to be serviced by CSS assets (5.84GW). The CSS asset is amortised to a residual Terminal Value;
- There is an O&M and lifecycle component of the CSS Fee applied at a quarterly rate of 0.25% of the CSS Capex (excluding financing), which is equivalent to an annual rate of 1.00% of the CSS Capex (excluding financing); and
- Fees are indexed quarterly at a compounded rate equivalent to an annual rate of 2.50% starting from Access Fee Payment Date.

For more information on the cost breakdown and assumptions, see the Appendix.

## H2P Fee

The H2P Fee relates to the network infrastructure between the energy hub and the ARH's Project. The H2P Fee is expected to be calculated based on the costs to be incurred by the Network Operator and the Infrastructure Planner for each individual Project, reflecting the specific design of a Project's H2P infrastructure. The simplified formula for the H2P Fee is set out below in Figure 4.

**Figure 4: Simplified H2P Fee calculation**



The H2P Fee is expected to be calculated using the following assumptions:

- **Amortisation of H2P Cost:** This component amortises the H2P Cost (including financing costs) associated with the Project, including H2P capex provided by the Network Operator (transmission, switching station and On & Off-site Prelims, Design and Overheads) and IP Fees.<sup>9</sup> The H2P asset is amortised to a residual Terminal Value.
- Fees are indexed quarterly at a compounded rate equivalent to an annual rate of 2.50% starting from the Access Fee Payment Date.
- The O&M and lifecycle component of the H2P Fee applied at a quarterly rate of 0.25% of the H2P capex (excluding IP Fee & financing), which is equivalent to an annual rate of 1.00% of the H2P capex (excluding IP Fee & financing).

<sup>9</sup> Please see Appendix Table 7 for further information.

## 2.5 Important clarifications

### Multiple connection points

Under the CWO REZ Access Scheme, Access Rights are allocated per connection point, and the Access Fee will be determined for each Access Right. Accordingly, a separate Access Fee Determination is required for each Project connecting to the CWO REZ access rights network.

### Technology

Under the Access Scheme, assets that exclusively consume electricity from the grid without generating or exporting power (load-only assets) are not required to obtain an Access Right or pay the associated Access Fees.

### System strength for standalone storage Projects

Standalone storage Projects are not required to pay the CSS Fee but will be required to self-remediate any system strength impact under the National Electricity Rules (NER) framework and pay the Base Fee and H2P Fee (if there are any associated H2P costs).

### Self-remediation of system strength by hybrid Projects

CSS Fees for hybrid Projects (Projects with both generation and storage components behind the same connection point) may be decreased through an adjustment of Access Fees under the Access Fee Determination if the Project can demonstrate CSS remediation in accordance with the Infrastructure Planner's CSS Fee Reduction Methodology. The Infrastructure Planner's CSS Fee Reduction Methodology and process for initiating and applying a CSS Fee reduction will be specified in the Access PDA for hybrid Projects. See section 4 of these Guidelines in relation to adjustments to Access Fees and Variation Events.

### Goods and Services Tax (GST)

Access Fees specified in the Determination are exclusive of GST. If GST is payable, or notionally payable, then payments of GST will be in accordance with the Access Payment Deed.

### Access Fees beyond the current Access Scheme term

The Minister for Energy may, following the end of the Access Scheme, declare a new Access Scheme under section 24 of the EII Act over some or all of the Access Rights Network. If a new Access Scheme is declared, new Access Fees may be determined by the Consumer Trustee for its participants resulting in a new Access Fee Determination. Without limitation, these Access Fees may include components to continue the recovery of the costs of H2P and CSS infrastructure noting that the economic life of those assets exceeds the term of the current and initial Access Scheme.

### Terminal Value

The CWO REZ H2P and CSS infrastructure assets have an estimated economic useful life of 50 years and 40 years, respectively. As a result, there is a Terminal Value (representing the unamortised value of H2P and CSS assets) at the end of the Payment Term.

### H2P amortisation

H2P assets are amortised over their asset life, which is expected to be 50 years. The H2P Fee is a fixed per quarter fee under an Access Right and will not be re-amortised or adjusted in the event of a Network Operator delay.

### CSS amortisation

CSS assets are amortised over their asset life, which is expected to be 40 years. The CSS Fee is a fixed per megawatt quarter fee of maximum approved capacity under an Access Right and will not be re-amortised or adjusted in the event of a Network Operator delay.

# 3. CWO Access Fee Assumptions and Calculation

This section summarises the expected assumptions and calculation methodology for each component of the CWO REZ Access Fee. **The calculation is a guide only and should not be treated as the final Access Fee Determination of the Consumer Trustee.**



## Cost and Cost Assumptions

AEMO Services and EnergyCo provide the relevant cost and cost assumptions, listed in the Appendix, to provide transparency on inputs.

### 3.1 CWO Access Fee cost and assumptions

This section is to assist ARHs to estimate their expected Access Fees. It also provides all stakeholders, including competing ARHs and NSW electricity customers, with transparency on the inputs used to determine the Access Fees. Annexures 1 and 2 in the Access Fee Determination apply the calculation methodology to calculate a Project's quarterly Access Fee, and includes prepopulated values of the following inputs:

- **Quarterly Base Fee and General Assumptions**, provided by AEMO Services set out in Appendix Table 6;
- **Quarterly H2P and CSS Costs Assumptions**, provided by EnergyCo as set out in Appendix Table 7;
- **ARHs' Bid Variables**, provided by ARHs as part of their applications or bids for Access Rights as set out in Appendix Table 8; and
- **H2P Fee and CSS Fee.**<sup>10</sup>

#### Timing of initial Access Fee Payment

The APD contains the terms and conditions for the payment of Access Fees.

<sup>10</sup> All values are expressed in real 2024 dollars. No escalation is applied between 2024 and the Access Fee Payment Date of each individual Applicant. Fixed Indexation is going to be applied from each individual Applicant's Access Fee Payment Date.

# 4. The Access Fee Determination Process & Adjustments

This section outlines the process followed by the Consumer Trustee in determining the Access Fee in accordance with section 26 of the EII Act and any subsequent changes to Access Fees.

## 4.1 Access Fee Determination

The Access Fee Determination is a statutory decision by the Consumer Trustee under the EII Act and contains the following information:

- **Section 1 – Other matters related to Access Fees:** Addresses a range of matters related to the setting and payment of Access Fees, including GST, indexation and correcting errors or inconsistencies.
- **Section 2 – Access Fee Variation:** Sets out the relevant Variation Events. This includes a definition of each Event, any limits on how the event applies (e.g. any H2P Scope Change permitted increase or decrease), and how ASL will use the Variation Calculation and Variation Inputs (Annexure 2) to vary Access Fees.
- **Annexure 1 – Access Fee Formula:** Contains the formulaic approach and table of each of the Access Fee formula components used by the SFV to calculate the quarterly Access Fees payable by ARH for the duration of the Payment Term. The table of Fee Components is updated by ASL if a Variation Event occurs.
- **Annexure 2 – Access Fee Variables:** Contains the formulaic approach to adjust the Fee Components if a Variation Event occurs for CSS Fee or H2P Fee. ASL administers the Variation Events and determines the Fee Components in Annexure 1 with EnergyCo's Variation Inputs, which the SFV then applies to calculate the quarterly Access Fees.

## 4.2 Access Fee Determination process

Access Fee Determinations by the Consumer Trustee are to be made following EnergyCo's selection of final ARHs for each Project. At this time, successful ARHs will be required to enter into an Access PDA with the Infrastructure Planner and an APD with the SFV. It is anticipated that final Determinations will be made following the execution of the Access PDA but before signing the APD.

## 4.3 Adjustments to Access Fees

After a Determination is made, adjustments to the Access Fee can only occur under the conditions set out in the Access Fee Determination (refer to section 4.4 Access Fee Variation Events). As the setting of Access Fees is a statutory decision of the Consumer Trustee, adjustments accounted for in the Determination are limited to circumstances that are currently known at this point in time, where changes can be anticipated, and necessary adjustments made against demonstrable criteria.

The process for adjusting Access Fees in accordance with a Variation Event in an Access Fee Determination will be reflected in the Access Fee Determination, APD and Access PDA.

The benefit to ARHs is that Projects' exposure to Access Fee changes is limited. However, it is also recognised that there may be future unknown events that arise that may require more complex assessment of an Access Fee change. In those limited circumstances, a revocation or redetermination of the Determination may be required for the Consumer Trustee to meet its statutory obligations under the EII Act.

## 4.4 Access Fee Variation Events

The Access Fee Variation Events included in a Determination are described below. Notably, the Access Fees may only be varied in respect of Variation Events before the Access Fee Payment Date. After the Access Fee Payment Date, only the maximum capacity value may be adjusted, when an ARH maximum capacity variation occurs under the Access PDA and is reflected in the Access Rights Register.

- **H2P Scope Change:** If changes to Project Characteristics or Key Project Equipment (as defined in the Access PDA) that change the scope of the H2P are requested by the ARH and approved by the Infrastructure Planner, the H2P Fee can be adjusted to reflect the change in H2P costs as a result of the scope change.
- **H2P asset sharing:** Projects by different ARHs may share H2P assets, such as double circuit transmission towers, if that additional ARH has provided the security for the H2P Assets in accordance with the APD. Should this occur, the H2P fee may be apportioned between Projects.
- **CSS Fee Reduction Event:** If a Project with a grid-forming bidirectional unit behind the same connection point as a generating unit is able to demonstrate adequate self-remediation of its system strength impact in accordance with the Infrastructure Planner's CSS Fee reduction methodology under the Access PDA, the CSS Fee may be reduced by a maximum of 45%.

# 5. Appendix

## 5.1 CWO REZ Access Fee Assumptions<sup>11</sup>

The CWO REZ Access Fee Assumptions are used to determine the quarterly Fee Components (Base Fee Components, CSS and H2P Fee Components). Fees are paid from the Access Fee Payment Date and are indexed at a compounded rate equivalent to an annual rate of 2.5% from this time.

**Table 6: Base Fee and General Assumptions to be determined by the Consumer Trustee**

Access Assumptions Input	Unit	Amount	Used in	Notes
<b>Base Fee assumptions</b>				
<b>Community and Employment Fee (C&amp;E Fee)</b>	AUD\$ per MW per quarter	\$575	Calculating the quarterly Base Fee	Includes the amounts prescribed in sections 26(2) and (4) of the EII Act to fund Community and Employment purposes. The amount indicated in this table is for the initial quarter.
<b>Administration Fee (Non-C&amp;E Fee)</b>	AUD\$ per MW per quarter	\$125	Calculating the quarterly Base Fee	To cover CWO Access Scheme administration costs incurred by the Infrastructure Planner.  The amount indicated in this table is for the initial quarter.
<b>Network Infrastructure Contribution Fee</b>	AUD\$ per MW per quarter	\$300	Calculating the quarterly Base Fee	Contributes to the cost of constructing and maintaining the CWO REZ transmission network consistent with section 26(1) of the EII Act. The amount indicated in this table is for the initial quarter.
<b>General assumptions</b>				
<b>Fixed Indexation Rate</b>	% per quarter	0.6192% (rounded)	Calculating all quarterly Access Fee components	Escalates all Access Fees on a quarterly basis. The base date for fixed indexation is anticipated to be from the Access Fee Payment Date.

<sup>11</sup> Assumptions may be subject to change at the discretion of the Consumer Trustee.

Table 7: H2P and CSS Cost Inputs and Cost Assumptions provided by EnergyCo

Access Assumptions Input	Unit	Amount	Used in	Notes
<b>CSS Fee assumptions</b>				
CSS Fee charge	AUD\$ per MW per quarter	\$3,090.84	Calculating the quarterly CSS Fee	Provided by EnergyCo, this is based on the cost of synchronous condensers to meet system strength demand from ARHs when the CWO REZ network infrastructure is commissioned.  The current estimated CSS construction financing cost is 15.35% of capex. The amount indicated in this table is for the initial quarter.
CSS – O&M and lifecycle charge	% of capex (excl. financing), paid quarterly	0.25%	Calculating the quarterly CSS Fee	This charge is based on market benchmarks sourced from EnergyCo for the estimated annual operations and maintenance cost.
CSS useful life	Quarters	160	Calculating the quarterly CSS Fee	Based on advice from EnergyCo.
CSS assumed Cost of Capital	% per quarter	1.75%	Calculating the quarterly CSS Fee	Assumed financing cost of capital expenditure on CSS assets, provided by EnergyCo.
<b>H2P Fee assumptions</b>				
H2P Fee charge	Total project specific H2P capex	Project specific	Calculating the quarterly H2P Fee	Provided by EnergyCo, this is based on the specifications of each project provided through the Application Process. The current estimated H2P construction financing cost is 18.00% of capex.
H2P – O&M and lifecycle charge	% of capex (excl. IP Fees and financing), paid quarterly	0.25%	Calculating the quarterly H2P Fee	This charge is based on market benchmarks sourced from EnergyCo for the estimated annual operations and maintenance cost.
H2P useful life	Quarters	200	Calculating the quarterly H2P Fee	Based on advice from EnergyCo.
H2P assumed Cost of Capital	% per quarter	1.75%	Calculating the quarterly H2P Fee	Assumed financing cost of capital expenditure on H2P assets, provided by EnergyCo.
Transmission Costs	AUD\$ million	Project specific	Calculating the quarterly H2P Fee	This represents the cost of the transmission line (shared cost applicable to some Projects) connecting the Project with the energy hub. Provided by EnergyCo.
On & Off-site Prelims, Design and Overheads	AUD\$ million	Project specific	Calculating the quarterly H2P Fee	This represents the preliminary and overhead costs which include contractor overheads, and time-related costs associated with managing the Project, borne by the Network Operator to deliver the H2P assets. Provided by EnergyCo.
Switching Station Costs	AUD\$ million	Project specific	Calculating the quarterly H2P Fee	This represents the costs borne by the Network Operator to deliver the switching station assets. Provided by EnergyCo.
Infrastructure Planner Fee	AUD\$ million	Project specific	Calculating the quarterly H2P Fee	This component includes costs borne by the Infrastructure Planner for land access, easements, biodiversity offsets. Provided by EnergyCo.

Access Assumptions Input	Unit	Amount	Used in	Notes
<b>General Fee assumptions</b>				
Terminal Value <sup>12</sup>	AUD\$ million	Project specific	Calculating the Terminal Value of H2P/ CSS assets	Provided by EnergyCo, this is the residual value of the H2P and CSS assets, based on a straight-line amortisation with 2.50% fixed indexation per annum, compounded quarterly.
Access Fee Payment Date	Date	Project specific	Determining the start date of the Access Fee payment	As defined in the Access Payment Deed.
Payment Term	Years	Project specific	Calculating all quarterly Access Fee components	As defined in the Access Payment Deed. The Consumer Trustee has assumed a fixed Payment Term of 124 quarters for the purposes of calculating Access Fees.

**Table 8: CWO REZ ARH Bid Variables**

Access Assumptions Input	Unit	Amount	Used in	Notes
Maximum Capacity	MW	Project specific	Calculating the quarterly Base Fee and CSS Fee components	The maximum capacity for the relevant Access Right as set out in the Access Right Register in accordance with the Access PDA.

<sup>12</sup> The CSS and H2P assets have useful lives that are longer than the provisional concession period of the Access Scheme (expected to be up to 31 years) and the correlating maximum term of the Access Payment Deed. EnergyCo intends to agree a pre-determined terminal value for these assets with the NO based on the concession period. The CWO REZ Access Fee estimates to recover the costs of these assets up to the expected terminal value.

## 6. Glossary

Term	Definition
<b>Access Fee</b>	The Access Fee payable by an Access Right Holder in accordance with the relevant Access Fee Determination.
<b>Access Fee Determination or AFD</b>	The statutory decision of the Consumer Trustee that sets out Access Fees for each individual Project and how they may be adjusted for certain events.
<b>Access Fee Payment Date</b>	As defined in the APD.
<b>Access Payment Deed or APD</b>	The deed between the SFV and the ARH in respect of the project.
<b>Access Project Development Agreement or Access PDA</b>	Project Development Agreement between an ARH and EnergyCo.
<b>Access Right</b>	Access Right as defined in the Access Scheme Declaration.
<b>Access Right Agreements</b>	Access PDA and Access Payment Deed.
<b>Access Right Holder or ARH</b>	A person that holds an access right granted under the Access Scheme Declaration.
<b>Access Scheme</b>	Has the meaning given in the EII Act.
<b>Access Scheme Declaration</b>	The access scheme declared under section 24(1) of the EII Act in respect of Central-West Orana renewable energy zone and set out in the <i>Renewable Energy Zone (Central-West Orana) Access Scheme Order 2022</i> , and amended by the Minister on 5 April 2024 (see, <i>Renewable Energy Zone (Central-West Orana) Access Scheme (Amendment) Order 2024</i> ).
<b>Administration Fee</b>	A Base Fee component paid by ARHs to the SFV to cover the Infrastructure Planner's administration costs for the CWO REZ.
<b>Community &amp; Employment (C&amp;E) Fee</b>	A contribution to initiatives that achieve community purposes and employment purposes in the CWO REZ, as required by sections 26(2) and (4) of the EII Act.
<b>Consumer Trustee</b>	AEMO Services appointed as the Consumer Trustee under the EII Act.
<b>CSS</b>	Centralised System Strength.
<b>CSS Fee</b>	The contribution required to offset the cost of the CSS infrastructure asset.
<b>CSS Fee Reduction Methodology</b>	As defined in the Access PDA.
<b>CWO</b>	Central-West Orana.
<b>EII Act</b>	<i>Electricity Infrastructure Investment Act 2020</i> (NSW).
<b>EII Regulation</b>	<i>Electricity Infrastructure Investment Regulation 2021</i> (NSW).
<b>H2P</b>	Hub-to-Project.
<b>H2P Fee</b>	The contribution required to offset the cost of an Access Right Holder's H2P infrastructure asset.
<b>Infrastructure Planner or EnergyCo</b>	Energy Corporation of New South Wales constituted under the <i>Energy and Utilities Administration Act 1987</i> (NSW) and appointed as the Infrastructure Planner for the CWO REZ under section 19 of the EII Act.
<b>Initial Allocation</b>	The CWO REZ access right application process conducted by EnergyCo in 2024.
<b>Maximum capacity</b>	The maximum capacity for the relevant access right as set out in the Access Rights Register in accordance with the Access PDA.
<b>MW</b>	Megawatts.
<b>Network Infrastructure Contribution Fee</b>	A residual Base Fee component paid by ARHs to reduce consumer contributions to the costs of CWO REZ.

<b>Term</b>	<b>Definition</b>
<b>Network Operator</b>	Has the meaning given in the EII Act. The authorised Network Operator for the CWO REZ Network Infrastructure Project is the ACEREZ Partnership.
<b>O&amp;M</b>	Operation and Maintenance.
<b>Payment Term</b>	As defined in the APD.
<b>Project</b>	A physical electricity generation or storage facility built with respect to which an Access Right is sought by an ARH, including any proposed supporting network remediation and connection asset.
<b>Project Characteristic</b>	The Project specific features of a CWO REZ Access Right Project, defined in the Access PDA.
<b>REZ</b>	Renewable Energy Zone.
<b>Roadmap</b>	The NSW Electricity Infrastructure Roadmap enabled by the EII Act.
<b>Scheme Financial Vehicle or SFV</b>	The body responsible for entering into and enforcing the APD with ARHs and collecting Access Fees and securities, consistent with the terms of the APD.
<b>Terminal Value</b>	The residual value of H2P and CSS assets, based on a useful life of 50 and 40 years respectively.
<b>TNSP</b>	Transmission Network Service Provider.
<b>Variation Event</b>	Each of the events described in Section 4.4 and included in the Access Fee Determination.