



Tender Round 5 Guidelines

South West Renewable Energy Zone Access Rights Supplement

May 2024



ACKNOWLEDGEMENT TO 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

PURPOSE

This South West Renewable Energy Zone (REZ) Access Rights Supplement (**Supplement**) to the Guidelines for Tender Round 5 (May 2024) (**Guidelines**) is issued under Section 5.38 of the Guidelines. In accordance with Section 5.38 of the Guidelines, and in addition to the requirements of the Guidelines, Proponents must prepare their Bids to take into account and reflect the content of this Supplement to the extent the Proponent is bidding for an Access Right. The Supplement will form part of the Tender Guidelines, therefore the Tender Guidelines including the Tender Conditions (Section 5 of the Guidelines) and Important Notice in the Guidelines, apply to this Supplement.

Capitalised terms in this Supplement not otherwise defined, are defined in the *Renewable Energy Zone (South West) Access Scheme Order (Declaration)*, Guidelines, the 'Electricity Infrastructure Investment Act 2020 (NSW)' (**EII Act**) or the 'Electricity Infrastructure Investment Regulation 2021 (NSW)' (**EII Regulation**), as applicable.

The amount and features of the South West REZ Access Fees described in this document are, including the Access Fee Payment Date, not final until the Consumer Trustee formally determines fees under Section 26 of the EII Act. For further information, see the South West REZ Access Fee Guidelines. The Consumer Trustee may revise the Access Fee methodology and settings to ensure that it complies with its statutory obligations. Accordingly, any information in the Tender Guidelines (which includes the Supplement) is subject to change, and does not bind the Consumer Trustee or limit its statutory discretion.

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VERSION CONTROL

Version	Release date	Changes
#1	22/05/2024	

Content summary and other key documents

AEMO Services Limited, as the NSW Consumer Trustee, has commenced Tender Round 5, which includes Access Rights for the South West Renewable Energy Zone (**South West REZ**).

This document forms part of the Guidelines and provides key information for Proponents seeking South West REZ Access Rights.

This Supplement contains the following information specific to South West REZ:

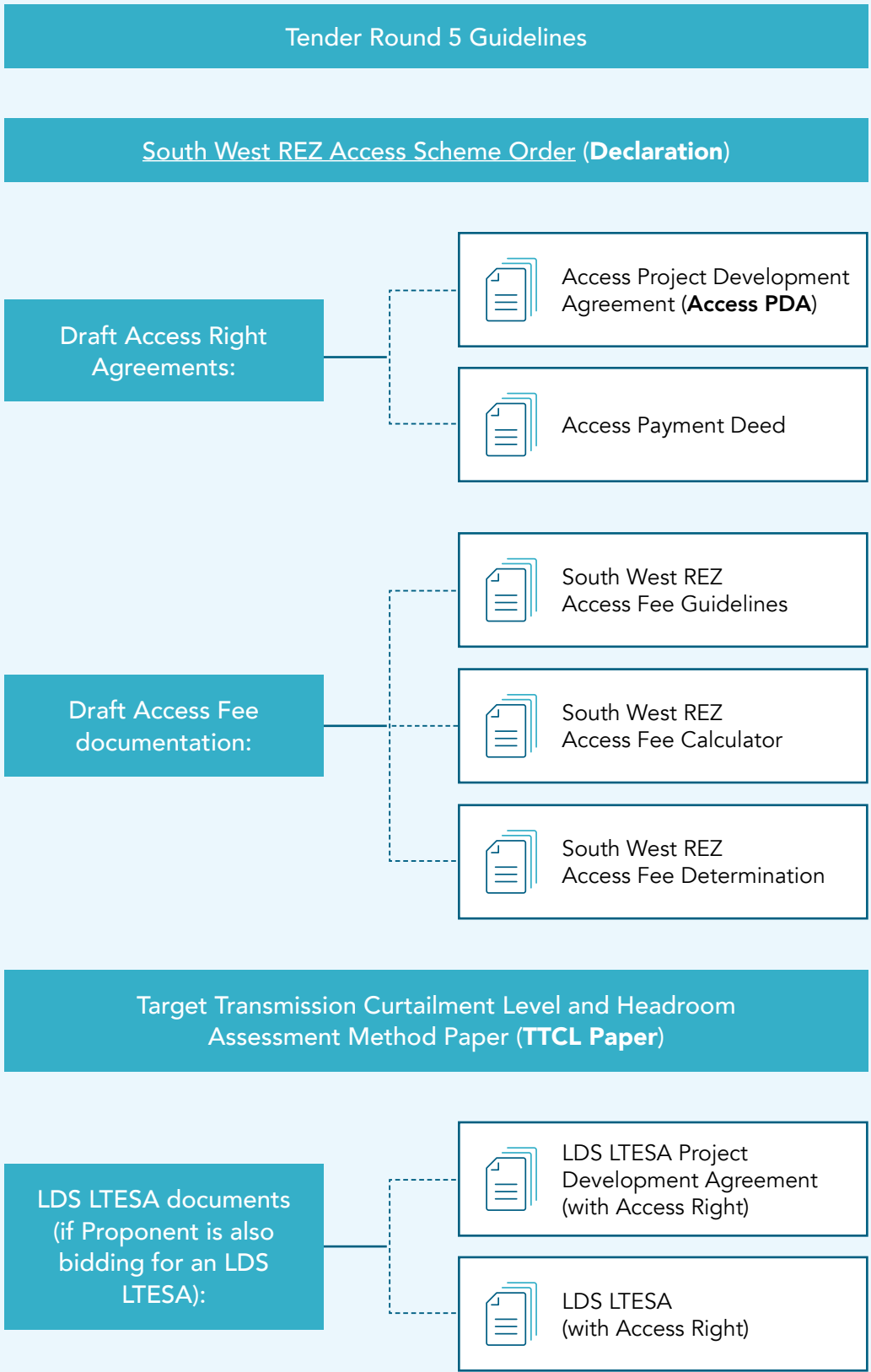


The Consumer Trustee plans to publish a Supplement to the relevant tender guidelines for each REZ, where a REZ Access Scheme is declared and Access Rights are made available through the Consumer Trustee's competitive tenders. These Supplements outline the scope and structure of the relevant Access Scheme and associated Access Rights.

To the extent the Supplement is inconsistent with the rest of the Tender Guidelines, the Consumer Trustee may, in its absolute discretion, notify Proponents as to the interpretation that will apply in order to resolve such inconsistency.



Proponents that are seeking South West REZ Access Rights should review this Supplement in conjunction with the following documents:



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1. Executive Summary and Key Terms

This Section contains an overview of key terms and commercial items that Proponents seeking Access Rights under the South West REZ Access Scheme need to know in preparing a Bid for this Tender Round.

EnergyCo as the Infrastructure Planner is working closely with AEMO Services as the Consumer Trustee, the NSW Department of Climate Change, Energy, the Environment and Water (**NSW DCCEEW**), and Transgrid to coordinate the delivery of the South West REZ.

South West REZ

The South West REZ is centred around the NSW towns of Hay and Balranald, stretching from the Murrumbidgee Local Government Area in the east to Buronga in the west. The South West REZ spans the lands of the Wiradjuri, Yorta Yorta, Baraba Baraba, Wemba Wemba, Wadi Wadi, Madi Madi, Nari Nari, Dadi Dadi, Kureinji and Yitha Yitha people.

The South West REZ was chosen by the NSW Government due to an abundance of high-quality wind and solar resources, land-use compatibility, a strong pipeline of proposed projects, and location relative to the Project EnergyConnect (**PEC**), HumeLink, and Victoria to NSW Interconnector West (**VNI West**) high voltage network infrastructure transmission projects (see Figure 1).

South West REZ Access Scheme

The South West REZ Access Scheme was formally declared on 4 April 2024, and published in the NSW Government Gazette on 12 April 2024. The Access Scheme is intended to provide solar, wind, and energy storage projects with the opportunity to bid for an Access Right and give confidence to investors and host communities by setting a limit on the amount of electricity generation and storage projects that can connect to network infrastructure in REZs.

Successful Access Right Holders will have the right to submit an application to connect to the Access Rights Network. By limiting the amount of generation capacity that can connect to the Access Rights Network, the South West REZ Access Scheme is expected to deliver enhanced in-REZ curtailment outcomes compared to projects connecting under the open access regime. This is expected to give greater certainty to investors of energy projects, drive efficient utilisation of the network for the benefit of NSW electricity consumers, and help coordinate and accelerate the delivery of the renewable energy needed to power NSW.

The Access Scheme Initial Term runs from 4 April 2024 to the date 15 years after the electrification of the Dinawan substation (built as part of PEC) (see 'Initial Term' below).

Access Rights Network and curtailment estimates

The expected Transfer Capacity of the Access Rights Network is 2,500 MW.¹ In this Tender Round, Access Rights may be granted up to the Initial Aggregate Maximum Capacity Cap of 3,980 MW, where the Infrastructure Planner is satisfied that doing so would not cause Forecast Curtailment on the Access Rights Network to exceed the Target Transmission Curtailment Level (**TTCL**) of 3.86%.² The Consumer Trustee, in making its recommendations to the Infrastructure Planner on awarding Access Rights, and the Infrastructure Planner in awarding Access Rights, have discretion to award less than the Initial Aggregate Maximum Capacity Cap.

Part of the Access Rights Network is defined as a specified Network Element – the Buronga Network Elements.³ This Network Element has a transfer capacity of 800 MW. In addition to satisfying the conditions for award of Access Rights for the Access Rights Network as a whole, Access Rights to the Buronga Network Elements may be granted up to the Initial Network Element Capacity Cap of 1,270 MW, where the Infrastructure Planner is satisfied that doing so would not cause Forecast Curtailment on the Network Element to exceed the Target Network Element Curtailment Level (**TNECL**) of 3.86%.

¹ This number may be revised, in accordance with clauses (12) to (15) (inclusive) of Schedule 3 of the Declaration.

² The Forecast Curtailment limit is an estimate and not a guarantee of actual curtailment outcomes for Access Right Holders on the Access Rights Network.

³ The Buronga Network Element is defined as the network elements from the Buronga substation to the Dinawan substation, excluding the Dinawan substation. Please see the Declaration for further details.

Access Fees

Access Right Holders are required to pay Access Fees to the Scheme Financial Vehicle (**SFV**), as determined by the Consumer Trustee. Successful Proponents will need to execute the Access Payment Deed with the SFV and the Access PDA with the Infrastructure Planner prior to being granted an Access Right.

Connection process

Following the allocation of Access Rights, Access Right Holders will have a right to negotiate connection to the Access Rights Network under Chapter 5 of the National Electricity Rules (**NER**), subject to provision modifications by the EII Regulation;⁴ for example, connection-related information equivalent to that included in a connection enquiry is provided as part of this Tender Round process (in place of a NER connection enquiry). Following the allocation of Access Rights, the Infrastructure Planner will notify Transgrid, as the registered Network Service Provider for the Access Rights Network, of successful Access Right Holders. Transgrid will then be required to provide Access Right Holders with information equivalent to a response to connection enquiry under the NER to enable an Access Right Holder to make a connection application (see [Section 4](#) for further information).

Table 1: Summary of key terms/commercial items that Proponents need to know. The information in the table below is general in nature and not a substitute for reviewing the Declaration.

Key term/ commercial item	Description	What you need to know
Access Scheme and Access Rights Network		
Access Scheme	An Access Scheme is a scheme that authorises or prohibits access to, and use of, specified network infrastructure in a REZ by network operators and operators of generation and storage infrastructure.	The Access Scheme has been declared by the Minister under Section 24 of the EII Act to apply in the South West REZ in accordance with the Declaration.
Access Rights Network	The network infrastructure to which the Access Scheme applies under the Declaration.	The South West REZ Access Rights Network is specified in Schedule 1 of the Declaration. Proponents are expected to connect to the Access Rights Network within the REZ geographical boundary (see Figure 1).
Declaration	The Order made by the Minister in respect of the Access Scheme for the Access Rights Network.	The Declaration came into effect through the Renewable Energy Zone (South West) Access Scheme Order 2024 made by the Minister on 4 April 2024 and is available here .
Eligible Project	A proposed Project that meets the requirements of the Declaration, including geographical footprint of the project, connection point, and eligibility criteria.	In the Declaration, an Eligible Project: <ul style="list-style-type: none"> • will have a geographical footprint with at least two thirds located in the REZ geographical boundary • will connect to the Access Rights Network at a location within the REZ geographical boundary • meets the eligibility criteria set out in Schedule 2 of the Declaration.
Initial Aggregate Maximum Capacity Cap	The maximum amount of generation and storage capacity that can be granted Access Rights in the Initial Allocation, noting further conditions on the grant of Access Rights in the Declaration.	For South West REZ, the Initial Aggregate Maximum Capacity Cap is 3,980 MW.

⁴ The NSW Government is currently considering feedback from AEMO and relevant network operators on modifications to the NER under the EII Regulation. For further information, see Table 5, footnote 27.

Initial Network Element Capacity Cap	The maximum amount of generation and storage capacity that can be granted Access Rights for the Buronga Network Elements in the Initial Allocation, noting further conditions on the grant of Access Rights in the Declaration.	For South West REZ, the Initial Network Element Capacity Cap is 1,270 MW.
Initial Term and the Term	The Initial Term is the initial period that the Access Scheme will apply to the Access Rights Network, and the Term refers to the Initial Term plus any extension to that period.	The Initial Term of the Access Scheme is from the start date (4 April 2024) to the date that is 15 years after the electrification of Dinawan substation, as notified by the Infrastructure Planner to the Consumer Trustee and South West REZ Access Right Holders.
Target Transmission Curtailment Level (TTCL)	The TTCL is a limit on Forecast Curtailment calculated under the Access Scheme for the entire Access Rights Network.	<p>The TTCL for the Initial Term of the Access Scheme has been set at 3.86%. The TTCL is assessed against the 2,500 MW network Transfer Capacity. The TTCL is fixed for the Initial Term. The Infrastructure Planner may revise the TTCL that applies in any Term after the Initial Term.</p> <p>The TTCL is an estimate and not a guarantee of actual curtailment outcomes for Access Right Holders on the Access Rights Network.</p> <p>See Section 3 for further details.</p>
Target Network Element Curtailment Level (TNECL)	The TNECL is a limit on Forecast Curtailment calculated under the Access Scheme for the Buronga Network Elements on the Access Rights Network. See Figure 1 for a map of the South West Access Rights Network.	<p>The TNECL for the Buronga Network Elements for the Initial Term of the Access Scheme is set at 3.86%. The TNECL is assessed against the 800 MW Network Element transfer capacity. The TNECL is fixed for the Initial Term. The Infrastructure Planner may revise the TNECL that applies in any Term after the Initial Term.</p> <p>The TNECL for Access Right Holders on the Buronga Network Elements is an estimate and not a guarantee of their actual curtailment outcomes.</p> <p>See Section 3 for further details.</p>
Transfer Capacity	<p>The network capacity (in MW) for transfer of electricity between the Access Rights Network and other transmission networks once PEC, HumeLink, VNI West and additional works at the Dinawan substation are completed and operational.</p> <p>The Transfer Capacity takes into account the combined network capacity across all points of connection between the Access Rights Network and other transmission networks.</p>	<p>The Declaration specifies the Transfer Capacity of the Access Rights Network will start at 2,500 MW, based on the transmission delivery schedule provided in Table 3. This assumes that PEC, HumeLink, VNI West and additional network augmentation projects are completed and operational.</p> <p>This may be revised in the future in accordance with Schedule 3 of the Declaration.</p>

Access Rights and allocations

Access Right	An Access Right authorises the Access Right Holder to submit an application to connect the approved Project to the Access Rights Network and send out generation from the approved Project.	An Access Right is required to progress project development and be able to submit an application to connect an approved Project to the Access Rights Network in the South West REZ. Access Rights are recorded in the Access Rights Register maintained by the Infrastructure Planner. See Section 3 for further details.
Access Right Holder	A person who holds an Access Right to the Access Rights Network granted under the Declaration.	Proponents seeking access to the Access Rights Network in the South West REZ will need to successfully secure Access Rights through this Tender Round or subsequent allocation processes to be able to develop and connect their Projects. The Consumer Trustee will make recommendations to the Infrastructure Planner on the allocation of Access Rights based on the outcome of this Tender. The Infrastructure Planner will then allocate Access Rights based on this recommendation.
Initial Allocation	Means the maximum initial grant of Access Rights under the Access Scheme.	The Initial Allocation of Access Rights will be up to the Initial Aggregate Maximum Capacity Cap of 3,980 MW for the Access Rights Network generally, and the Initial Network Element Capacity Cap of 1,270 MW for the Buronga Network Elements. Up to 3,980 MW of capacity may be granted where doing so would not cause Forecast Curtailment on the Access Rights Network to exceed the TTCL of 3.86%; and without the Forecast Curtailment on the Buronga Network Elements exceeding the TNECL of 3.86%. The Consumer Trustee will make recommendations to the Infrastructure Planner on the Initial Allocation of Access Rights.
Market-Led Augmentation	A market-led augmentation is a network-augmentation project funded by one or more Proponents, to increase the Transfer Capacity of the Access Rights Network or a network element. Proposals for market-led augmentations must be approved by the Infrastructure Planner.	Clause 11 of the Declaration sets out the opportunities for a Proponent to submit a request to the Infrastructure Planner to conduct a Market-Led Augmentation. Market-Led Augmentation applications will not be considered as part of this Tender Round. However, Proponents may submit information for their proposed Market-Led Augmentation project to the Consumer Trustee and Infrastructure Planner, including details of the type of augmentation, technology, and estimated MW of transfer capacity unlocked. Market-Led Augmentation applications will be considered outside of this Tender Round.
Maximum Capacity	The maximum sent out generation in MW that an approved Project is authorised to send out under their Access Right.	This is a Bid Variable that is set as part of the tender process. The Maximum Capacity is reflected in Project Documents such as the Access PDA. The Maximum Capacity for a capacity period is also recorded in the Access Rights Register.
Project	A generation, storage plant or co-located hybrid infrastructure project seeking access to connect to the Access Right Network in the South West REZ.	Wind, solar, storage, and hybrid projects are all eligible to bid for South West REZ Access Rights.

Access Fees and Access Rights Agreements

Access Fees	Each Access Right Holder in the South West REZ is required to pay Access Fees to the SFV, as determined by the Consumer Trustee.	See the South West REZ Access Fee Guidelines for more information about the Access Fee inputs and the Access Fee Determination process.
Access Fee Payment Date	The date from when Access Fees or components of Access Fees become payable to SFV.	As at the date of this Supplement, the Access Fee Payment Date is expected to be the earlier of either: <ul style="list-style-type: none"> • Access Right Holder’s First Commissioning date; or • The Network Readiness Date See Section 3 for further details.
Access Payment Deed	A deed between the SFV and an Access Right Holder including obligations on the Access Right Holder to pay Access Fees and provide bonding.	A draft template Access Payment Deed is expected to be available for Proponents from 28 May 2024. The Access Payment Deed template is the same for all Access Right Holders and is not expected to be modified.
Access Project Development Agreement (PDA)	An agreement between the Infrastructure Planner and the Access Right Holder that specifies the Access Right terms.	A copy of the draft Access PDA is available for Proponents. The Access PDA outlines obligations on the Access Right Holder and the Infrastructure Planner relating to the development and operation of a Project, sets key milestones, commitments, and management of delay events.

Connections process

Connection Agreement	An agreement between an Access Right Holder and the Network Operator regarding the connection of a Project to the Access Rights Network under Chapter 5 of the NER.	The Connection Agreement will be governed by Chapter 5 of the NER (as modified by Schedule 3 of the EII Regulation).
Connection Process	The process that Access Right Holders will be required to follow to connect their approved project to the Access Rights Network.	Proponents who obtain Access Rights in the Initial Allocation will be required to follow the connection process under Chapter 5 of the NER, subject to the modifications described in Section 4 and the EII Regulation.. This will mean that: <ul style="list-style-type: none"> • Transgrid will be responsible for managing the connection process and Access Right Holders will need to enter into a Connection Agreement with Transgrid to connect to the Access Rights Network, rather than follow the connection enquiry process under Chapter 5. • Proponents will be required to mitigate any system strength impacts in accordance with the NER.

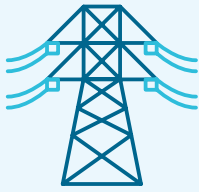
2. South West REZ Access Scheme

The South West REZ Access Scheme was formally declared on 4 April 2024, and published in the NSW Government Gazette on 12 April 2024. This Section provides an overview of the key characteristics of the Access Scheme.

2.1 Access Scheme overview

Proponents should familiarise themselves with the [Declaration](#) and should not only rely on the Supplement. To the extent of any inconsistency between the Declaration and information provided in this Supplement regarding the Access Scheme, the Declaration prevails.

The objectives of the South West REZ Access Scheme are to:



Optimise the utilisation of network infrastructure to improve consumer outcomes



Foster community support and regional economic benefits



Improve investment certainty for generation and storage Projects

The NSW Government has designed the South West REZ Access Scheme to seek to achieve these objectives by:

- Limiting physical capacity connected to the Access Rights Network in order to optimise the economic use of the Access Rights Network and improve outcomes for NSW electricity consumers.
- Using the Community and Employment components of Access Fees to fund community, employment, and First Nations benefit programs to foster community support in the South West REZ.

2.2 Where is South West REZ?

The South West REZ is centred around the NSW towns of Hay and Balranald, stretching from the Murrumbidgee Local Government Area in the east to Buronga in the west. The South West REZ spans the lands of the Wiradjuri, Yorta Yorta, Baraba Baraba, Wemba Wemba, Wadi Wadi, Madi Madi, Nari Nari, Dadi Dadi, Kureinji and Yitha Yitha people.

The Access Rights Network in the South West REZ is defined in Schedule 1 of the Declaration and shown in [Figure 1](#) below. Requirements of an Eligible Project include that a project has or will have:

- A geographical footprint at least two-thirds within the REZ geographical boundary; and
- A connection to the Access Rights Network at a location within the REZ geographical boundary.

Where a project wishes to connect to the Buronga Network Elements, the Initial Network Element Capacity Cap of 1,270 MW applies. A summary of the key Access Rights Network metric information is provided in [Table 2](#) below.

Figure 1: Map of South West REZ and Access Rights Network



Table 2: Network metrics in the South West REZ

Network portion	Transfer capacity	TTCL/TNECL	Connected generation capacity cap
Access Rights Network	2,500 MW	3.86%	3,980 MW
Buronga Network Elements	800 MW	3.86%	1,270 MW

To reach the Transfer Capacity of 2,500 MW for the Access Rights Network under the Declaration,⁵ it is assumed new transmission infrastructure will be delivered in South Western NSW as described in Table 3 below. These transmission projects provide interconnection from NSW to both South Australia and Victoria. Transgrid is delivering the NSW-side works of these transmission projects under the NER regulatory framework, with the balance of the works being delivered by ElectraNet for PEC on the South Australian-side and Transmission Company Victoria for VNI West on the Victorian-side.

Transgrid currently estimates the Transfer Capacity to be delivered according to the timeline displayed in [Table 3](#).

Table 3: Current timeline for South West REZ network infrastructure

Network infrastructure project	Cumulative transfer capacity ⁶	Timing for commencement of Inter-network testing ⁷	Timing for additional capacity release ⁸
Project EnergyConnect (PEC)	800 MW	1 May 2026 ⁹	1 July 2027
PEC & HumeLink ¹⁰	1,200 MW	N/A ⁸	1 July 2027
PEC, HumeLink & VNI West ¹¹	1,800 MW	31 December 2028	31 December 2029
PEC, HumeLink, VNI West & minor additional Access Rights Network infrastructure	2,500 MW ¹¹	N/A	31 December 2029 ¹²

The delivery dates in this table are approximate only as at the date of this Supplement and are subject to change.

Minor additional Access Rights Network infrastructure to unlock the last stage of Transfer Capacity in South West REZ is currently being scoped by EnergyCo and may include options such as an additional transformer.

⁵ See Schedule 3, clause (11) of the Declaration.

⁶ The capacity release and timing are conditional on external approvals and availability of suitable market conditions and good test results.

⁷ Inter-network testing conducted by AEMO and the Transmission Network Service Providers (TNSPs) is applicable to interconnector projects PEC and VNI-West and not applicable for HumeLink.

⁸ To follow successful conclusion of relevant Inter-network testing. The capacity release and timing are conditional on external approvals and availability of suitable market conditions and good test results.

⁹ This date has been provided to AEMO to utilise for modelling purposes and can also be regarded as the anticipated date for electrification of the Dinawan substation as contemplated by clause 13(2) of the Declaration.

¹⁰ HumeLink and VNI West are ISP actionable projects but have not yet achieved considered or committed project status under the NER.

¹¹ Minor additional Access Rights Network infrastructure may be required to enable South West REZ Transfer Capacity of 2,500 MW. Expansion of the Dinawan substation or other options may also be considered.

¹² Subject to regulatory approval, additional Access Rights Network infrastructure delivery is estimated for when PEC, HumeLink and VNI West have reached operational delivery. Timing for full capacity release following completion of VNI West and additional Access Rights Network infrastructure is subject to identification of all necessary additional network infrastructure required to enable the 2,500 MW Transfer Capacity in time to be included in relevant delivery arrangements for VNI West.

3. Access Rights

South West REZ Access Rights are intended to provide benefits to generators, share benefits with host communities and deliver built energy for NSW consumers.

3.1 What is an Access Right?

Under the Declaration, an Access Right authorises an Access Right Holder to apply to connect an approved Project to the specified Access Rights Network and send out generation into the network up to its allocated Maximum Capacity.

The Access Scheme applies to the Access Rights Network in the South West REZ. The Access Rights awarded by the Infrastructure Planner at the conclusion of this Tender Round will determine the initial Projects to be granted access to the Access Rights Network. Each Access Right Holder is required to pay an Access Fee to the SFV, as determined by the Consumer Trustee.¹³

Only generation and storage Projects that hold Access Rights can connect to the Access Rights Network.¹⁴ Transgrid will manage the connection process. Projects that are granted Access Rights will need to enter into a Connection Agreement with Transgrid under the NER to connect their facility.

A Proponent will require an Access Right for each connection point on the Access Rights Network. Following the Declaration, a generator must hold an Access Right (or otherwise have the consent of the Infrastructure Planner) to be eligible to submit an application to connect to the Access Rights Network.

The Consumer Trustee will make recommendations to the Infrastructure Planner based on the outcome of this Tender Round in relation to the granting of Access Rights. The Infrastructure Planner may then grant Access Rights on the basis of the Consumer Trustee's recommendation¹⁵ in accordance with the Declaration, including the eligibility criteria in Schedule 2.

3.2 Up to 3,980 MW will be offered in this Tender Round

Up to 3,980 MW of Access Rights in the South West REZ Access Rights Network may be tendered for through this Tender Round for the Initial Allocation, provided that the allocation does not cause the Forecast Curtailment on the Access Rights Network to exceed the TTCL of 3.86%.¹⁶ The Initial Aggregate Maximum Capacity Cap of 3,980 MW for the Access Rights Network is based on the Transfer Capacity of the Access Rights Network of 2,500 MW (as specified in the Declaration).¹⁷

The South West REZ Access Scheme also includes an Initial Network Element Capacity Cap of 1,270 MW on the Buronga Network Elements (see Figure 2) that forms part of the Access Rights Network.¹⁸ The allocation of Access Rights to connect to this Network Element are also subject to the Infrastructure Planner being satisfied that the Forecast Curtailment on this network element will not exceed the specified TNECL of 3.86%.¹⁹

¹³ Section 26 of the EII Act.

¹⁴ Any load customers or network service providers who wish to connect to the Access Rights Network must have the consent of the Infrastructure Planner.

¹⁵ The legislated functions of EnergyCo as the Infrastructure Planner are governed by the EII Act, the EII Regulation and the Declaration. EnergyCo's role is further described in the Tender Rules and Guidelines.

¹⁶ Subclause 9(1) of the Declaration.

¹⁷ Subclause 8(1) of the Declaration.

¹⁸ Subclause 8(2) of the Declaration.

¹⁹ For more information regarding the South West REZ forecast curtailment assessment methodology, see the [TTCL Headroom Method Paper](#).

3.3 Enhanced curtailment outcomes are an intended key benefit of obtaining an Access Right

It is intended that Access Right Holders in the South West REZ will benefit from better estimated curtailment outcomes on the Access Rights Network, compared with connecting to a network where the NER open access arrangements apply.

The Access Scheme places limits on the amount of generation capacity that can connect to the Access Rights Network. This is expected to deliver enhanced in-REZ curtailment outcomes for Access Right Holders compared to connecting under the NEM open access regime, and to help drive efficient utilisation of the network and support positive outcomes for NSW electricity consumers. This is the central component of the limited physical connection model applied under the Access Scheme, to help mitigate congestion (compared to open access) and manage system stability.

The Access Scheme is intended to further reduce the curtailment risk of Projects based on location, such as with the TNECL applying to the Buronga Network Elements of the Access Rights Network. The Initial Network Element Capacity Cap of 1,270 MW is intended to mitigate oversubscription and reduce curtailment risk for Projects that connect to this part of the Access Rights Network.

Offering the full 3,980 MW of Access Rights in the Initial Allocation is also expected to enable successful Proponents to progress the connection of their Projects with Transgrid and submit an application to connect to the Access Rights Network (see [Section 4](#)).



Important Note

As outlined in the NSW Government's [December 2023 Supplementary Position Paper](#) on the South West REZ Access Scheme, successful Access Right Holders will bear the risk of any delays to the new transmission projects anticipated to contribute to the achievement of the Transfer Capacity. This is notwithstanding the delay events for which Access Right Holders may be able to apply to delay milestones under the Access PDA. Access Right Holders will also bear increased curtailment risk until all transmission projects that make up the Access Rights Network are delivered.

3.4 Access Fees

Proponents that are awarded an Access Right under the Access Scheme for South West REZ must pay Access Fees to the SFV as determined by the Consumer Trustee.

The Consumer Trustee has published the following documents listed in the table below to support Proponents to submit their Financial Value Bid with the Project's provisional Access Fee.

Table 4: Summary of Access Fee documents

South West REZ Access Fee document	Description
Access Fee Guidelines	Outlines how the Access Fees are structured and calculated.
Draft Access Fee Calculator	Provides estimates of Access Fees with assumptions and inputs from Proponents and the Infrastructure Planner.
Draft Access Fee Determination	Outlines how Access Fees are expected to be determined and adjusted.

Proponents are expected to read and understand these documents before submitting a Bid for a South West REZ Access Right.

Final Access Fees for each Project will be determined by the Consumer Trustee at the time of the final Access Fee Determination. It is anticipated that a final Determination will be made on or about the date of execution of the Access Payment Deed and the Access PDA. The Access Fees for each individual Project will vary based on Maximum Capacity, as outlined in the Access Fee Guidelines. Proponents should refer to Section 3.2 of the Guidelines for information on the Consumer Trustee's recommendation process.



Important Note

For more information regarding Access Fee setting and quantum, see the [South West REZ Access Fee Guidelines](#).

3.5 Future Access Right tenders and further capacity

The Consumer Trustee will work closely with the Infrastructure Planner and continue to make Access Rights for South West REZ available in tender rounds until the Initial Allocation is completed²⁰ or opportunities for additional capacity become available.

3.5.1 Unallocated capacity from this Tender Round

If the Initial Allocation capacity of 3,980 MW in this Tender Round is not fully allocated, then the remaining capacity may be offered in future tender rounds run by the Consumer Trustee, subject to the TTCL and TNECL.

3.5.2 Headroom assessments

The Infrastructure Planner will undertake headroom assessments for the Access Rights Network in accordance with the Declaration to determine if there is any available additional capacity in the Access Rights Network. If any additional capacity is identified, then the Consumer Trustee, advised by the Infrastructure Planner, will facilitate its allocation through subsequent tender rounds if requested by the Infrastructure Planner.

3.5.3 Market-Led Augmentations

Clause 11 of the Declaration sets out opportunities where a Proponent may submit a request to the Infrastructure Planner to conduct a self-funded network augmentation that would increase the Transfer Capacity of the Access Rights Network or a network element. If accepted, the Proponent(s) would receive the maximum capacity unlocked by this augmentation.

Market-Led Augmentation applications will not be considered as part of this Tender Round process. However, Proponents may submit information for their proposed Market-Led Augmentation project to the Consumer Trustee and Infrastructure Planner, including details of the type of augmentation, technology, and estimated MW of transfer capacity expected to be unlocked. Applications will be considered outside of this Tender Round process.

²⁰ Subject to Clause 7(4) of the Declaration.

4. Connection Process

The NER Connection Process, with minor modifications to reflect the requirement for an Access Right, applies to generation and storage Projects connecting to the Access Rights Network. This Section summarises that connection process.

Following the declaration of the South West REZ Access Scheme, the “access gateway” provisions under the EII Regulation²¹ apply to amend the NER Chapter 5 connection process for the Access Rights Network. The access gateway provisions mean that a person cannot submit an application to connect to the Access Rights Network unless:

- For a generating system, the person is registered as the holder of an Access Right for the generating system, or
- Otherwise, the person has obtained the consent of the Infrastructure Planner.

This means Projects that have already progressed through the connection process with Transgrid for connection to any part of the Access Rights Network are **unable** to proceed to a Connection Agreement without holding an Access Right, **unless** they have entered the Connection Agreement or received an offer to connect on or before the date of the Declaration.²² Any Projects that did reach this threshold before the date of the Declaration will be subject to the transitional provisions applying to existing participants in clause 24 of the Declaration.²³

Where, as at the date of the Declaration, a Project has commenced the connection but has not received an offer to connect, the following provisions under the EII Regulation apply:

- Transgrid has the discretion to respond to a connection enquiry received prior to the Access Scheme being declared, and
- If a response to connection enquiry was provided by Transgrid before an Access Rights notification is given by the Infrastructure Planner, Transgrid has discretion to either confirm whether the contents of that response remain current, or identify changes to the previously provided response to connection enquiry.



Important Note

A connection enquiry response is not an eligibility criterion for an application for Access Rights or LDS LTESAs for South West REZ Projects in this Tender Round. Projects in South West REZ without connection enquiry responses will not be disadvantaged in the merit assessment process of Access Rights or LDS LTESAs compared to Projects with that were in more advanced stages of the connection process prior to the Declaration.

The connection applicant may continue to develop, but must not submit, an application to connect prior to Access Right award. Transgrid cannot issue an offer to connect unless the connection applicant holds an appropriate Access Right.

²¹ See [Schedule 3 of the Electricity Infrastructure Investment Regulation 2021](#), relating to NER Chapter 5.

²² Refer to the Transitional Provisions in Part 7 of the Declaration. The date of the Declaration was 12 April 2024.

²³ Clause 24 of the Declaration.

Additional modifications to the process for connection under Chapter 5 of the NER²⁴ for Projects awarded Access Rights in the Initial Allocation include:

- As part of this Tender Round, Proponents will be required to submit connection-related information equivalent to that included in a connection enquiry that would need to be submitted under clause 5.3.2(f) of the NER as part of this Tender Round. This takes the place of a NER connection enquiry,²⁵ and
- Following the allocation of Access Rights, the Infrastructure Planner will notify Transgrid of the Proponents who have been awarded Access Rights, which will be recorded in a public Access Rights Register. Transgrid will then be required to provide Access Right Holders with information equivalent to a response to connection enquiry under the NER. This will enable Access Right Holders to prepare an application to connect meeting the requirements of the NER.

4.1 Pathway to application to connect

The table below summarises the information that will be required from, and made available to, Proponents at different stages of the tender process if the Proponent is bidding for an Access Right, and how this informs the Connection Process for Access Right Holders.

Table 5: Summary of information required from, and made available to, Proponents at different stages of the Tender process

Stage	Description
Project Bid stage	<ul style="list-style-type: none"> • Proponents will be required to submit a returnable schedule containing information equivalent to that required for a connection enquiry under the NER as part of their response to Merit Criteria 1. • Proponents will be required to confirm Project-specific information as part of their tender submission.
Financial Value Bid stage	Each Project's Access Rights Maximum Capacity will be set as part of their Financial Value Bid. This may not be the same Maximum Capacity that will be registered on the Access Right Register, if the Proponent is selected for award of Access Rights. ²⁶
Access Rights allocated	<ul style="list-style-type: none"> • The Consumer Trustee determines the Access Fees for successful Proponents. • Successful Proponents execute the Access PDA and Access Payment Deed. • The Infrastructure Planner registers Access Rights on the Access Rights Register as required under the Declaration.
Next steps in the Connections Process	<p>Following completion of this Tender Round and the allocation of Access Rights:</p> <ol style="list-style-type: none"> 1. The Infrastructure Planner will notify Transgrid of the connection enquiry information relating to an Access Right Holder received as part of the Access Rights tender process. 2. Transgrid will provide the information equivalent to that specified in clause 5.3.3 of the NER (response to connection enquiry information) to an Access Right Holder within 30 business days²⁷ after receiving from the Infrastructure Planner: <ul style="list-style-type: none"> • Notice that the relevant Access Right Holder has been allocated an Access Right, and • Information on the Access Right Holder and their generating system, which will be equivalent to the information that is required to be provided in a connection enquiry under clause 5.3.2 of the NER, as modified by the EII Regulation. <p>Transgrid can request further information from an Access Right Holder if the connection enquiry information provided is not sufficient to enable it to process the enquiry.</p> 3. Access Right Holders will prepare an application to connect consistent with the requirements of Chapter 5 of the NER, including plant models, and submit these to Transgrid within the timeframes required under the NER connection process. 4. The process between the application to connect and offer to connect will be governed by the requirements under Chapter 5 of the NER, as modified by the EII Regulation.

²⁴ Although the Declaration provides the option for the Infrastructure Planner to apply a REZ-specific connection process, including batched connection and REZ-specific access standards, this will not be applied to the Initial Allocation.

²⁵ Proponents will need to provide information equivalent to that required for a connection enquiry under the NER as part of Merit Criteria 1 in their Project Bid.

²⁶ See Section 3.1.11 of the Guidelines for further information.

²⁷ The NSW Government is currently considering feedback from AEMO and relevant network operators on modifications to the NER under the EII Regulation. This includes feedback on extending the number of business days for network operators to provide information equivalent to a response to connection enquiry and the timeframe within which a network operator will be required to provide that information where the relevant network has not received considered status (such as VNI West) when Access Rights are allocated. If there is a change to the position that information equivalent to a response to connection enquiry should be provided within 30 business days of Access Right notification, Proponents will be notified prior to the commencement of Financial Value Bid stage.

5. Security bonding for Access Rights

Security bonding is intended to protect the interests of NSW electricity customers by protecting the SFV against potential losses and costs arising from a Project defaulting on its obligations under the Access PDA and Access Payment Deed.

5.1 Overview of security bonding

To protect NSW electricity consumers, Access Right Holders are required to provide levels of security that mirror any cost exposure and risk incurred by NSW electricity consumers. After an approved Project has been awarded an Access Right, an Initial Security bond is required from Access Right Holders. In addition, Access Right Holders will be required to provide an Operations Security bond from the Access Fee Payment Date (see Table 1).

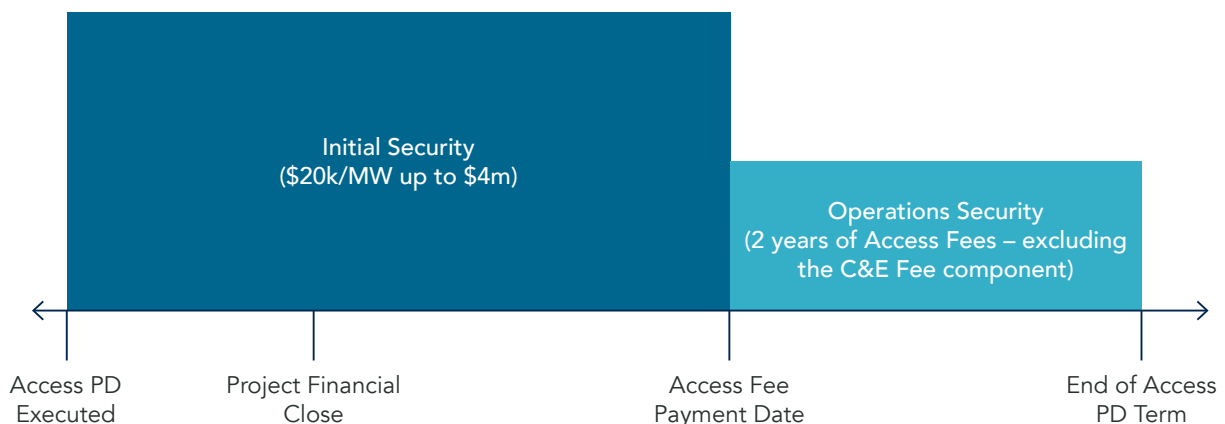
The table below provides a high-level overview of the security bonding required for the Access Rights on the Access Rights Network.

Table 6: Stages of bonding for South West REZ

Security	Purpose	Duration
Initial Security	This security will help mitigate the cost to the SFV associated with securing a replacement Access Right Holder through subsequent Access Right tender, if required.	Provided within 20 business days of signing of the Access Payment Deed, until the Access Fee Payment Date.
Operations Security	To cover the loss in revenue to the SFV relating to the South West REZ Access Fee if a Project defaults on its payment obligations or terminates during its operational period. This security will also help mitigate the cost to the SFV associated with securing a replacement Access Right Holder, if required. This security covers all components of Access Fees with the exception of the Community and Employment Purpose components.	Replaces the Initial Security within 10 business days after the Access Fee Payment Date and is returned at the end of the Access Payment Deed term. The Access Fee Payment Date is expected to be the earlier of either: <ul style="list-style-type: none"> • Access Right Holder’s First Commissioning date; or • The Network Readiness Date.

A summary of the bonding structure for Access Right Holders is shown in the figure below.

Figure 2: Stages of bonding for South West REZ



Further details including the quantum, timing and mechanics of the bonds are contained in the Access Payment Deed. Proponents will also be expected to demonstrate their financial capacity and capability to provide bonding as part of their response to Merit Criteria 2 in their Project Bid,²⁸ and are required to provide a smaller process bond at the Financial Value Bid Stage B.²⁹

5.1.1 Form of Security Bonds

The quantum of security bonding under the Access Payment Deed will be set on a per Project basis, and must be:

- In the form of a letter of credit or bank guarantee issued by an Australian branch of an Authorised Deposit-Taking Institution (**ADI**) with an Acceptable Credit Rating.³⁰
- Capable of being drawn in Sydney.
- Otherwise in a form reasonably satisfactory to SFV (acting reasonably).

²⁸ See Section 4.2.1 of the Guidelines, MC2 – Pathway to commercial operation, for further detail.

²⁹ See Section 3.1.1 in the Guidelines.

³⁰ A credit rating of at least A- by Standard & Poor's or A3 by Moody's or, if both of those agencies cease to operate or give ratings of the kind referred to above, an equivalent rating from another reputable ratings agency acceptable to the SFV (acting reasonably).

Glossary

Term	Definition
Access Fee	Has the meaning given in Table 1.
Access Fee Payment Date	Has the meaning given in Table 1.
Access Fee Determination	A statutory decision by the Consumer Trustee, setting out Access Fees for each individual Project and how they may be adjusted for certain events.
Access Payment Deed	Has the meaning given in Table 1.
Access PDA	Has the meaning given in Table 1.
Access Right	Has the meaning given in Table 1.
Access Right Holder	Has the meaning given in Table 1.
Access Rights Network	Has the meaning given in Table 1.
Access Scheme	Has the meaning given in Table 1.
Buronga Network Elements	Means the network elements from Buronga substation to the Dinawan substation, as set out in the Declaration, but excluding the Dinawan substation.
Connection Agreement	Has the meaning given in Table 1.
Consumer Trustee	AEMO Services has been appointed as the Consumer Trustee under the EII Act.
Declaration	Refers to the Access Rights Declaration, and has the meaning given in Table 1.
EII Act	<i>Electricity Infrastructure Investment Act 2020 (NSW).</i>
EII Regulation	<i>Electricity Infrastructure Investment Regulation 2021 (NSW).</i>
First Commissioning	As defined in the Access PDA.
Forecast Curtailment	Means forecast curtailment on the Access Rights Network or for a network element (as the case may be), determined by the Infrastructure Planner in accordance with the Declaration.
Infrastructure Planner	EnergyCo has been appointed the Infrastructure Planner for the South West REZ under s 63 of the EII Act.
Initial Aggregate Maximum Capacity Cap	The initial cap on the aggregate maximum capacity that can be allocated to Projects under an Access Scheme. For this Tender Round 5, the cap is 3,980 MW (this includes the Initial Network Element Capacity Cap of 1,270 MW for the Buronga Network Elements).
Initial Allocation	Has the meaning given in Table 1.
Initial Network Element Capacity Cap	The maximum capacity that can be awarded to Projects connecting to an Access Rights Network to mitigate potential oversubscription and reduce additional curtailment risk for Projects that connect to part or the whole of that the Access Rights Network. For this Tender Round 5, the cap is 1,270 MW in respect of the Buronga Network Elements.
Initial Term	Has the meaning given in Table 1.
Market-Led Augmentation	Has the meaning given in Table 1.
Maximum Capacity	Has the meaning given in Table 1.
Network Readiness Date	As defined in the Access Payment Deed.
Target Transmission Curtailment Level (TTCL)	Has the meaning given in Table 1.
Target Network Element Curtailment Level (TNECL)	Has the meaning given in Table 1.

Term	Has the meaning given in Table 1.
Transfer Capacity	Has the meaning given in Table 1.
Transmission Network Service Provider	An entity that owns, operates, or controls a transmission system, and is registered with AEMO as an network service provider