

Submission to AEMC on Enhancing Community Engagement in Transmission Building

September 2023



**CENTRAL NSW
JOINT ORGANISATION**

Bathurst
Blayney
Cabonne
Cowra
Forbes
Lachlan
Lithgow
Oberon
Orange
Parkes
Weddin



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Joint Organisation

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Chair Cr Kevin Beatty, Cabonne Council

27 September 2023

Reference: jb:vp 230927

Enquiries: Ms J Bennett: 0428 690 935

Ms Anna Collyer
Chairperson
Australian Energy Market Commission
GPO Box 2603
Sydney NSW 2001

Dear Ms Collyer,

Re: Rule Change Submission - ERC0357 Enhancing Community Engagement in Transmission Building

Joint Organisations (JOs) were proclaimed in May 2018 under the NSW Local Government Act 1993. The Central NSW Joint Organisation (CNSWJO) represents over 177,000 people covering an area of more than 51,000sq kms comprising the eleven Local Government Areas of Bathurst, Blayney, Cabonne, Cowra, Forbes, Lachlan, Lithgow, Oberon, Orange, Parkes and Weddin.

Tasked with intergovernmental cooperation, leadership and prioritisation, JOs have consulted with their stakeholders to identify key strategic regional priorities. The CNSWJO Strategic Plan can be found here: [Strategic Plan & Regional Priorities - Central Joint Organisation \(nsw.gov.au\)](http://www.centraljo.nsw.gov.au/strategic-plan)

This response is informed by policy developed in region.

CNSWJO understands the Australian Energy Market Commission (AEMC)'s suggestions for a rule change has been driven by the following:

The Commission has decided to make a more preferable draft rule to create greater consistency and clarity over transmission network service providers' (TNSPs) obligations to engage with local communities, early in the transmission planning process.

This is in response to the rule change request submitted by the Hon. Chris Bowen, Minister for Climate Change and Energy.

The draft rule would enhance early community engagement to support TNSPs building and maintaining social licence, and improving the quality of planning, for transmission projects. Social licence is critical to the timely delivery of transmission infrastructure, which is required for the transition to net zero.

The draft rule would also benefit consumers by helping lower energy prices by facilitating the connection of cheaper renewable energy and firming sources to this transmission infrastructure.

The Central NSW JO speaks for over 180,000 people covering an area of more than 53,000sq kms comprising of Bathurst, Blayney, Cabonne, Cowra, Forbes, Lachlan, Lithgow, Oberon, Orange, Parkes, and Weddin.

The rule change request seeks to implement recommendations made as part of the social licence workstream in our Transmission planning and investment review (TPIR).

The rule change request has been fast tracked reflecting the extensive consultation carried out on these issues in TPIR.

Before commenting on the specifics of the questions asked by the AEMC regarding the rule change, this region makes the following commentary.

An absence of consistent policy at the federal level in Australia for the past decades has led to a narrowing of the window to meet the nation's international obligations on greenhouse gas emissions' reduction and closure timeframes of coal-fired power generation.

This has led to some extremely poor outcomes for communities in the current NSW scramble to rewire the state. These poor outcomes are likely to continue for at least the next decade. Ironically, the poor execution of the rewiring is likely to lead to it stumbling with its ongoing challenges for community. The goal posts continue to change, for example recent advice on doubling the generation capacity at the neighbouring Central West and Orana Renewable Energy Zone (REZ).

A completely different approach to coordination and focus from a logistics perspective for this rewiring needs to be enabled. Instead, business-as-usual processes such as NSW Government State Significant Development pathways with their corollary weaknesses and community impacts continue.

In this region the communities most likely to be impacted at this time are those to the east of the region where wind and hydro-generation have the greatest potential.

Concurrently there are risks to the whole region that energy security may get lost as the priority for existing infrastructure is to support the neighbouring REZ and other large-scale generation.

What is particularly galling is that for all the pain regional communities will endure, it is likely that timeframes as outlined by the AEMC for greenhouse gas reductions will not be achieved.

There needs to be a significant rethink about what is achievable where distributed energy systems and incentivising batteries in the domestic setting, including electric vehicles, would be much more logistically possible than the current effort.

It appears that the rule changes suggested by the AEMC assume continuation of the business-as-usual approach to development which is currently failing the communities of Central NSW. Unfortunately, confidence has been lost and this means that community furore is growing as misinformation is at an all-time high.

While the rule changes in and of themselves are good, they overlook the following nuances – which at the time of writing are making all the difference:

1. *When* the stakeholder is engaged - in this region stakeholders are being engaged in accordance with the State Significant Development (SSD) pathway. This is a minimalist approach that sees developers taking the minimalist pathway through.
2. *The extent to which* the stakeholder is engaged - again this is at the “for information” level where communities have little or no say about optimising the development. Optimising renewable energy generation infrastructure is particularly important in agricultural settings to protect food production.
3. *The assumptions* made in the consultation - this includes access to water and cumulative impacts of hundreds of developments on workforce and transport needs.

The transport task is particularly important for this region given the geography of NSW needing imported, oversized over mass renewable infrastructure to be transported over one or two roads. Transport for NSW (TfNSW) estimates a decade of escorted freight at ten movements per night excluding weekends and school holidays.



One wind turbine blade road transport breakdown on Cowra bridge – image credit: Over and Above Photography

The geography of NSW also puts at risk the transmission infrastructure as it has to traverse the bushfire-prone Great Dividing Range.

Early in drought, water is emerging as a significant issue. It is noteworthy that recent SSD decisions in NSW have allowed for significant development that do not have access to water. For example, the Bowden's silver/lead mine near Mudgee. This mine is also competing with renewable energy infrastructure in the Central West and Orana REZ. Then there are the water and sewer requirements for the workforce. As each development is considered on its own, the cumulative impacts of fifty of them are not part of the approvals process.

Arguably, the assumption that this mega-rewiring and generation approach is not achievable in the timeframes and is not the best approach.

This region implores the AEMC to rethink its approach and pursue a more distributed model including incentivising domestic batteries, scaling up EVs and supporting electrification of homes and businesses. This region has also identified the need to move more quickly on waste emissions.

Considering the rule changes, this region understands that the following advice regarding stakeholders:

- *stakeholders are to receive information that is clear, accurate, relevant and timely and explains the rationale for the proposed project*

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- *engagement consultation materials and methods of communication must be tailored to the needs of different stakeholders*
- *the stakeholders' role in the engagement process must be clearly explained to them, including how their input will be taken into account*
- *stakeholders have sufficient opportunity to consider and respond to the information provided*
- *stakeholder feedback, including potential ways to deliver community benefits, is considered*
- *stakeholders are informed about how stakeholder feedback has been taken into account in decision-making; and*
- *stakeholders are provided the opportunity to be regularly involved throughout the planning of 'actionable' or 'future' Integrated System Plan (ISP) projects and Renewable Energy Zones (REZs).*

Response:

While this is all good practice for consultation, this region notes that much of the above is subject to interpretation. What is timely or regular? What does "taken into account" in decision making mean? How much benefit and of what type?

Question 1: Have local community stakeholders been appropriately captured?

Response:

Regarding clause 5.10.2

- (e) engagement with stakeholders who are reasonably expected to be affected by the development of the actionable ISP project, future ISP project, or project within a REZ stage (including local landowners, local council, local community members and traditional owners) in accordance with the community engagement expectations.*

This region has concerns about its energy security over the next decade and would be keen to know of any impacts from the neighbouring REZ. Given the paucity of thought around logistics and cumulative impacts, the communities of Central NSW are seeking assurance that all impacts on them have been considered.

Further, the logistics task needs to be interrogated for impacts and those affected including roads and bridge owners, communities on affected routes and other water users.

Question 2: Are the transitional rules appropriate?

Response:

This region is of the view that introducing better consultation on transmission is worthy but too late. Further, the assumptions made by the AEMC on the optimal pathway to net zero need urgent review. The task is logistically impossible, will never have social license and uses business-as-usual development pathways that give no consideration to cumulative impacts including access to water.

In conclusion

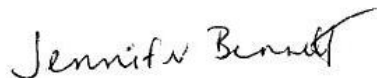
Central NSW Councils and their communities have spent two decades doggedly working towards a policy ambition of an orderly transition to a renewable energy future. To see this poorly executed scramble with its extraordinary impacts on the communities of regional NSW is very

sad. Even more tragic is that this approach will not achieve the greenhouse gas emissions reduction in the timeframes hoped for.

This region would welcome an urgent rethink on what is achievable and an opportunity to be engaged on what that might look like in Central NSW. Central NSW is a highly collaborative region currently developing a business case on the nexus between energy security and emissions reduction and would welcome the opportunity to share this advice with the AEMC.

If you require further information or clarification on comments in this submission, please do not hesitate to contact me on 0428 690 935.

Yours sincerely,

A handwritten signature in black ink that reads "Jennifer Bennett". The signature is written in a cursive, flowing style.

Jennifer Bennett
Executive Officer
Central NSW Joint Organisation (CNSWJO)