

24 November 2023

Kami Kaur
General Manager
NSW REZ Branch
Australian Energy Regulator
GPO Box 1313
Canberra ACT 2601

Lodged electronically: REZ@aer.gov.au

Dear Ms Kaur

**Transgrid Waratah Super Battery (non-contestable) 1 July 2024
to 30 June 2029 – Draft Decision – 29 September 2023**

EnergyAustralia is one of Australia's largest energy companies with around 2.4 million electricity and gas accounts across eastern Australia. We also own, operate and contract a diversified energy generation portfolio across Australia, including coal, gas, battery storage, demand response, wind and solar assets, with control of over 5,000MW of generation capacity.

EnergyAustralia is supportive of the proposed scope of works for this project. It reflects a well targeted and innovative solution. By using existing easements the project appears relatively efficient (low capex) and can be delivered quickly and drive material market benefits through reduced congestion, in addition to underpinning reliability and system security in NSW. While noting it is being completed under the direction of the NSW Energy Minister and assessed under the NSW regulatory framework, we consider the AER and transmission network service providers in all jurisdictions should seek to identify similar opportunities for incremental transmission upgrades of this nature. This type of project may be typically identified under the NCIPAP element of the Service Target Performance Incentive Scheme however given its scale would be captured under the Regulatory Investment Test. While we support rigorous assessment via any regulatory approval pathway, timely project execution and commissioning is also important in the case of the Waratah Super Battery project and associated works, notably the upgrade of 'Line 39' between Bannaby and Sydney West.

To that end, the AER's decisions on the application of incentives (including when to recognise capital expenditures) should reflect the benefits of timely project delivery rather than solely on achieving cost reductions relative to spending allowances. The Ministerial direction requires Transgrid to complete all network augmentations by August 2025, this and other elements of the Delivery Plan were developed in line with the announced change to Eraring's closure date which still appears subject to further change. Other concurrent projects could further complicate delivery timeframes and this will need to be appropriately managed.

If you would like to discuss this submission, please contact me on 03 9060 0612 or Lawrence.irlam@energyaustralia.com.au.

Regards

Lawrence Irlam
Regulatory Affairs Lead



EnergyAustralia

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