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## Transmission Access Reform Consultation Paper - May 2023

26 May 2023

Dear Energy Security Board officers,

RWE Renewables appreciates the opportunity to comment on the May 2023 Transmission Access Reform Consultation Paper (the Consultation Paper). We would like to express our thanks for all the work of the Energy Security Board in trying to solve the vexed issue of how the risks of grid congestion should be borne. As a member of the ESB's access reform technical working group, we have seen and heard first-hand the divergence of stakeholder views. There will be no reform that pleases all, but the ESB has engaged broadly and deeply to hear everyone's concerns.

RWE is a global energy company with over 12 GW of operating onshore wind, offshore wind, solar and storage assets across Europe, the Americas and Australia, and a global renewable energy development pipeline exceeding 20GW. RWE's first operating Australian project is the 249 MW Limondale solar farm in New South Wales. We also have a growing development pipeline of wind, solar and storage projects across the NEM, including Australia's first 8-hour battery.

We have always supported the need for reform to the current open access arrangements, to provide a more stable environment for the huge amount of private investment needed to deliver a zero emissions, reliable and stable grid. And through the last five years of engaging on access reform, we have kept an open mind as to the best way of achieving that goal. Most models put forward during that time have had potential, in our view, to improve the investment conditions for the energy transition, but all except the improved information reforms have failed to achieve broad support once specific design criteria have been consulted on. There are just too many stakeholders with different interests across the NEM to formulate a fundamental NEM-wide access reform that does not negatively impact some group in a significant way – be it existing generators, new generators, storage developers, consumers, transmission companies or governments.

It is for that reason that we support the States' approaches to access reform on a REZ-by-REZ basis and a de-prioritisation of the ESB's hybrid model in the short-term. The States are pushing ahead with their REZ designs, with NSW even progressively enacting its REZ access schemes. With Central-West Orana and soon the South-West also to

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have a form of priority access, there is the opportunity to employ two different approaches to access reform in two quite different parts of the grid, and apply the learnings to future access schemes within the NEM. In this way, we can take a pragmatic, step-by-step approach to access reform, adjusting as we go and taking account of local circumstances, rather than a fundamental NEM-wide change to access arrangements that may have unforeseen circumstances. There is potential to integrate a congestion relief market into such an approach, with its design carefully considering the different State REZ schemes.

REZ-based tailored access arrangements, combined with improved congestion information across the NEM is, in our view, the sustainable approach to access reform.

Thank you again for the opportunity to comment on the Consultation Paper.

Yours sincerely,

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