



National planning coordination for renewable energy zones

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New rules to improve coordination of renewable generation projects in special zones in the national electricity market have been put in place by energy ministers.

New planning rules developed by the Energy Security Board (ESB) were passed into law on 13 May 2021. They require both the needs of communities and developers to be considered in renewable energy zone (REZ) design; and align the REZ objectives being pursued at a state level with the actionable Integrated System Plan to ensure REZ developments are part of the optimal development path for the broader power system.

ESB Chair, Dr Kerry Schott, said the new rules are another step towards a more coordinated process for bringing new generation online – improving the ability to connect to the national electricity grid and delivering renewable energy to consumers at the lowest possible cost.

“We need a staged approach to manage the energy technology revolution which is changing the face of power generation in this country.

“Energy ministers have now agreed to put the stage 1 planning rules in place. They are designed to provide better coordination of all aspects of the renewable energy zone development, especially in terms of providing opportunities for local communities to be part of the decision-making process,” Dr Schott said.

The rules require jurisdictional planning bodies to prepare REZ design reports for major transmission poles and wires projects.

The design reports must include proposed designs, construction route, cost estimates, consideration of non-network alternatives and a community impact assessment to give local people opportunities to put forward relevant information.

“A key objective of the new rules is to get transmission planners to engage with local communities earlier so that local permissions issues can be understood earlier in the planning process,” Dr Schott said.

Coordination of transmission, generation and storage investments will help deliver additional power supplies at least cost – especially as Australia is set to replace most of its aging power stations over the next 20 years.

Orderly renewables development as the system adjusts will help to reduce risk associated with network congestion, electricity transport losses and technical difficulties.

The new comprehensive REZ design reports will be triggered by AEMO decisions to implement a priority transmission infrastructure project under the ISP’s overarching cost benefit analysis and risk assessment.

These rules add to the recently implemented rules (1 July 2020) for the actionable integrated system plan (ISP) which is now produced by the market operator, AEMO, every two years. The ISP rules are intended to streamline regulatory processes for key projects identified in the ISP while keeping a rigorous cost benefit assessment.

While the ISP rules drive the efficiency of transmission investment, it’s just one part of the reform agenda. The developing REZ framework aims to coordinate the constructions of new generators with the roll-out of new poles and wires by making it more attractive for investors in certain parts of the grid, providing scale efficiencies and reducing risks for power producers seeking to connect.

About the Energy Security Board

The Energy Security Board reports to the Energy National Cabinet Reform Committee (ENCRC). The ENCRC and the energy ministers' meeting are ministerial forums for the Commonwealth, States and Territories and New Zealand, to work together in pursuit of national energy reforms. The ENCRC and energy ministers' meeting were established following cessation of the Council of Australian Governments (COAG) in May 2020.

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