

The Hon Penny Sharpe MLC

Minister for Climate Change, Minister for Energy,
Minister for the Environment, Minister for Heritage,
Leader of the Government in the Legislative Council



DOC26/221400

Mr Daniel Westerman
Chief Executive Officer and Managing Director
Australian Energy Market Operator

By email: daniel.westerman@aemo.com.au

Dear Mr Westerman

I write regarding the treatment of the New England Renewable Energy Zone network infrastructure project (the Project) in the forthcoming 2026 Integrated System Plan.

The Project is progressing through the *NSW Electricity Infrastructure Investment Act 2020 (NSW)* framework and is well advanced. Relevant milestones that are or will shortly be reached include:

- **Planning and other approvals:** In June 2024, the project was declared a Critical State Significant Infrastructure project by the NSW Minister for Planning and Public Spaces as it is considered 'essential for the State for economic, environmental or social reasons'. This declaration has established a statutory planning pathway under the *Environmental Planning and Assessment Act 1979 (NSW) Act* and enables formal environmental assessment processes, including the preparation of an Environmental Impact Statement.
- **Contracts for major components:** In March 2025, EnergyCo commenced a competitive process for the network operator for the project. In late 2025, EnergyCo shortlisted three consortia and has completed the first of two stages of a request for tender. In April 2026, EnergyCo also commenced procurement for a development finance entity to support the project.
- **Authorisation:** AusEnergy Services Limited plans to consider whether to authorise the project for cost recovery in late 2026. This process includes a thorough cost benefit analysis to ensure it is in the long-term financial interests of NSW electricity customers.

Given the advanced state of the Project and that it is progressing under the NSW framework, I request that Australian Energy Market Operator treat the project as 'anticipated' in the final 2026 Integrated System Plan. This will provide clarity to maintain progress in the transition of the NSW electricity sector.

If you have any further questions about this issue, please contact Mr Liam Ryan, Executive Director, Energy Infrastructure, on 8217 2005 or at liam.ryan@dcceew.nsw.gov.au.

Sincerely

A handwritten signature in black ink, appearing to read 'Penny Sharpe'.

Penny Sharpe MLC

Minister for Climate Change, Minister for Energy,
Minister for the Environment, Minister for Heritage

12 May 2026