



Consumer
Trustee

South-West Renewable Energy Zone (SW REZ) Access Fee Guidelines

December 2024



ACKNOWLEDGEMENT TO COUNTRY

AEMO Services would like to acknowledge the Traditional Owners of country throughout Australia and recognise their continuing connection to land, water and culture.

We pay our respect to their Elders, past and present.



Important notice

These updated SW REZ Access Fee Guidelines (**Guidelines**) are provided to inform potential generators connecting into SW REZ (**Proponents**) as part of EnergyCo's Initial Allocation of Access Rights, of the fees payable (**Access Fees**) by SW REZ Access Right Holders (**ARHs**) to the Scheme Financial Vehicle (**SFV**), for connecting into the SW REZ Access Rights Network.

Capitalised terms used in these Guidelines and not otherwise defined in this document take their meaning from the Renewable Energy Zone (South West) Access Scheme Order 2024 (**Access Scheme Declaration**) under the *Electricity Infrastructure Investment Act 2020* (NSW) (**EII Act**).

To the extent that there is any inconsistency between these Guidelines and the requirements of the EII Act, the *Electricity Infrastructure Investment Regulation 2021* (NSW) (**EII Regulation**), or Access Scheme Declaration, the Consumer Trustee may, in its discretion, notify Proponents as to the interpretation that will apply in order to resolve such inconsistency.

DISCLAIMER

This document has been prepared by AEMO Services Limited (ABN 59 651 198 364) (**AEMO Services** or **ASL**).

AEMO Services has published these updated Guidelines to outline the current Access Fees structure and amounts, the Access Fee Determination process and approach to adjustments to Access Fees for the Initial Allocation of Access Rights for the SW REZ Access Scheme (**Access Scheme**) declared in the Access Scheme Declaration. It is intended to assist Proponents in understanding the recent updates to Access Fees which will be payable by SW REZ ARHs to the SFV. This document is not the final Access Fee Determination of the Consumer Trustee, nor is this document a tender document.

Nothing in this document should be construed as binding the Consumer Trustee or limiting its statutory discretion. The Consumer Trustee reserves the right to revise any aspect of this document in its absolute discretion.

AEMO Services does not guarantee the accuracy, currency or completeness of any information contained in this document and (to the maximum extent permitted by law) expressly disclaims all liability relating to or resulting from reliance on it or resulting from the exercise of any discretion, or the making of any decision, by AEMO Services, as the Consumer Trustee under the EII Act.

Where there is a discrepancy between these Guidelines and the Access Right Agreements as defined in this document, the Access Right Agreements will prevail.

All dollar amounts in these Guidelines are in Australian dollars unless otherwise indicated.

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1. Introduction

Access Schemes declared under the EII Act are a key part of the NSW Government’s plan to coordinate renewable energy and storage investment in Renewable Energy Zones (REZs) and meet the objectives of the NSW Electricity Infrastructure Roadmap (Roadmap).

The SW REZ Access Scheme was formally declared on 12 April 2024,¹ outlining the electricity network that new generation and storage projects will require rights to connect into (**Access Rights Network**). A holder of an Access Right may apply to connect an approved project (**Project**) to the Access Rights Network and send out generation into the network up to its allocated maximum capacity.

AEMO Services, as the NSW Consumer Trustee, determines the fees payable to the SFV by ARHs in an Access Scheme under section 26 of the EII Act.

The information provided in these Guidelines outlines for the SW REZ:

- how Access Fees are structured and set, including the fee components, their methodologies and quantum; and
- how Access Fees are determined and adjusted under the Access Fee Determination.

These Guidelines are only applicable to ARHs who hold an Initial Allocation Access Right – that is, an Access Right granted pursuant to the Initial Allocation for the Access Scheme. They do not apply to other Access Rights held by participants in the Access Scheme.

The table below summarises the key sections of this Guideline.

Table 1: Summary of SW REZ Access Fee Guidelines

Section	Content
Section 1: Introduction	Outlines the purpose of this document, the roles and responsibilities of Roadmap entities in the Access Scheme, and the contractual structure of the SW REZ.
Section 2: SW Access Fee structure and amount	Outlines the Access Fee principles that inform the development of the Access Fee structure, explains how Access Fees are structured and explains the amount of each component of the Access Fees.
Section 3: The Access Fee Determination process & adjustments	Outlines the Access Fee Determination process and the approach to adjustments to Access Fees.
Section 4: Appendix	Provides information on SW REZ Access Fee inputs to help proponents understand the calculation of Access Fees.

1 Renewable Energy Zone (South West) Access Scheme Order 2024 dated 4 April 2024 and published in the Government Gazette on 12 April 2024.

1.1 Roles and responsibilities of Roadmap Entities in the Access Scheme and setting Access Fees

The process for allocating Access Rights and determining and administering Access Fees requires input and involvement from a number of Roadmap entities. The roles and responsibilities of each entity are governed by the EII Act, the EII Regulation, and the Access Scheme Declaration. [Table 2](#) below provides a summary breakdown of these roles and responsibilities.

Table 2: Roles and responsibilities of entities in determining Access Fees and allocating Access Rights for SW REZ

Term	Responsibilities
Infrastructure Planner (EnergyCo)	EnergyCo as the appointed Infrastructure Planner is responsible for the following activities: • Administering the Access Scheme. • Granting an Access Right or approving a change to the maximum capacity of an Access Right. • Advising the Consumer Trustee, where required, on future Access Right tender processes. • Publishing the template Access Project Development Agreement (PDA). • Providing inputs into the Access Fee calculations for the consideration of AEMO Services, including costs and assumptions relating to the administration of the Access Scheme and the Community component. • Entering into and enforcing the Access PDA with Proponents. • Consulting with the SFV and the Consumer Trustee on the terms and conditions, including bonding arrangements of the Access Payment Deed between the SFV and the ARH. • Recommending that the SFV enter into Access Payment Deeds with successful ARHs.
Transgrid	Transgrid is the network operator for the South-West REZ Access Rights Network and is responsible for the following activities: • Managing the connection process to the Access Rights Network (the connection agreement process is governed by Chapter 5 of the National Electricity Rules as modified by the EII Act). • Entering into the connection agreement with ARHs. • Operating, maintaining, and controlling the Access Rights Network.
Consumer Trustee (AEMO Services)	For Access Fees, the Consumer Trustee is responsible for the following activities: • Determining the Access Fees for proponents that are allocated Access Rights. For Access Rights, the Consumer Trustee is responsible for the following activities: • Making rules, in consultation with the Infrastructure Planner, about the conduct of a competitive tender in relation to the granting or increasing of Access Rights. • Making recommendations in the form of a report to the Infrastructure Planner based on the outcomes of competitive tenders for Access Rights.
Scheme Financial Vehicle (SFV)	The SFV is responsible for the following activities: • Entering into and enforcing the Access Payment Deed with ARHs. • Collecting Access Fees and managing bonding securities, consistent with the terms of the Access Payment Deed.

1.2 Relevant documents and contractual structure

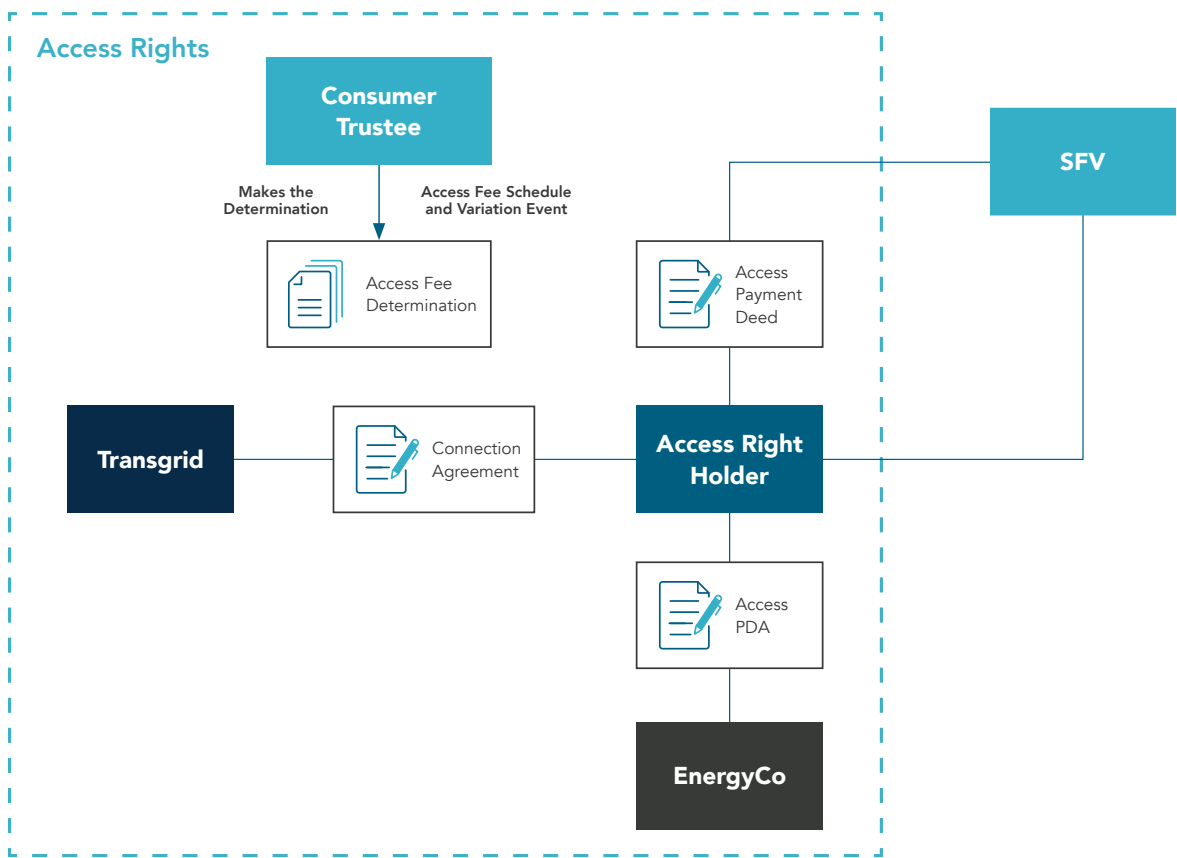
This document should be read in conjunction with the latest version of the documents set out in [Table 3](#) below, where available. The documents relating to Access Fees are the Access Payment Deed and the Access Fee Determination, which are described within these Guidelines.

Table 3: Relevant documents

Documents and Tools	Description
Access Fee documents	
Access Payment Deed	The Access Payment Deed is executed by ARHs and the SFV, and sets out the terms for paying the Access Fees (as determined under the Access Fee Determination) and providing securities to the SFV.
Access Fee Determination	The Access Fee Determination is the statutory decision by the Consumer Trustee that sets Access Fees.
Other agreements	
Access Project Development Agreement (Access PDA)	The Access PDA is executed by ARHs and EnergyCo, and contains obligations relating to the development and operation of a Project, including the technical specification of the Project, development and construction milestones, social license commitments and other terms and conditions of the Access Right.
Connection Agreement	The connection agreement executed between the ARH and Transgrid setting out the terms and conditions of the Project's connection to the Access Rights Network.

[Figure 1](#) provides an overview of the key Access Right Agreements that support the delivery of the SW REZ Access Scheme.

Figure 1: Contract structure applicable to SW Access Rights



2. SW REZ Access Fee structure

This section explains the principles used by the Consumer Trustee in determining Access Fees in accordance with section 26 of the EII Act. The EII Act sets out a series of principles that must be taken into account and the requirements that must be met in the structuring and setting of Access Fees.

2.1 SW REZ Access Fee principles

In determining Access Fees, the Consumer Trustee takes into account the principles prescribed by section 26(1) of the EII Act. These are:

- Maximising financial value for NSW electricity customers;
- Recovering the cost of the operation of the Access Scheme;
- Optimal use of the existing and planned network infrastructure in the renewable energy zone; and
- Other principles prescribed by the EII Regulation. This includes transparency in total determined or expected fees payable under the Access Scheme for participants.

Sections 26(2) and 26(4) of the EII Act mandate that Access Fees determined by the Consumer Trustee include a component to be used for community and employment purposes, respectively. The EII Regulation sets minimum amounts per megawatt (MW), or proportions, to be allocated for community and employment purposes. In setting the employment purpose component for Access Fees, the Consumer Trustee must seek advice from the Employment Purpose Advisory Committee.²

The Consumer Trustee also takes into account other mandatory considerations and must act independently and in the long-term financial interests of NSW electricity customers.

2.2 Structure and amount of Access Fees

Access Fees consist of the components set out in [Table 4](#) below. The fee contributes to community benefit sharing initiatives and employment initiatives in the REZ, SW REZ Access Scheme administration and a contribution to the overall costs of the Roadmap.

The inputs used in setting the Access Fees are detailed in the Appendix.³

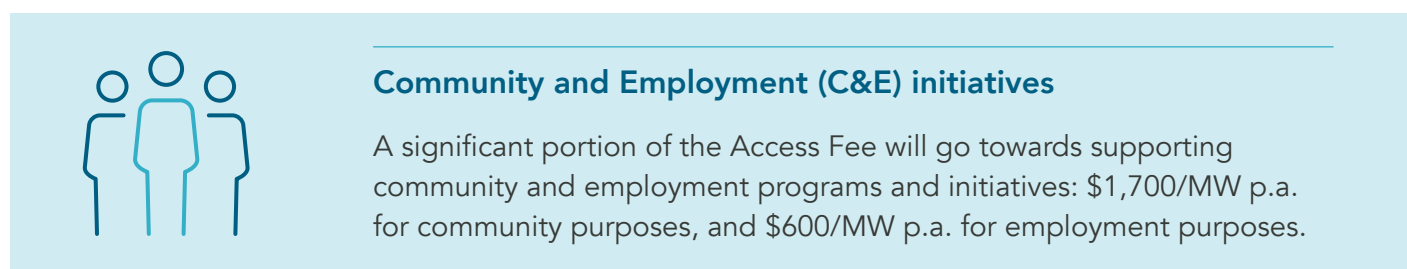
² Employment Purpose Advisory Committee under s34W(1)(b) of the *Energy and Utilities Administration Act 1987* (NSW).

³ Access Fee components and inputs may be subject to change at the discretion of the Consumer Trustee.

Table 4: Access Fee components

Access Fee component	Fee purpose	Source of scope and inputs
Community and Employment (C&E) Fee		
Community	Contributes to community benefit sharing initiatives in the REZ.	Based on the requirements of the EII Regulation and information provided by the Infrastructure Planner.
Employment	Contributes to employment benefit sharing initiatives in the REZ.	Based on the requirements of the EII Regulation and advice provided by the Employment Purpose Advisory Committee (EPAC).
Non-C&E Fee		
Administration Fee	Contributes to the administration costs of the SW REZ Access Scheme.	Based on the information provided by the Infrastructure Planner.
Contribution to the NSW Electricity Infrastructure Roadmap	Reflects the benefits of connecting to the SW REZ Access Scheme and supports the financial sustainability and affordability of the NSW Electricity Infrastructure Roadmap.	Determined by the Consumer Trustee to reflect the benefits of connecting to the SW REZ Access Scheme as well as to support the financial sustainability and affordability of the NSW Electricity Infrastructure Roadmap.

Figure 2: Community and Employment component of Access Fees for SW REZ



The Access Fee component is a fixed \$/MW per annum (p.a.) fee. The formula for the Access Fee is set out in the Access Fee Determination and is summarised in [Figure 3](#).

The Access Fee is calculated using the following inputs:

Figure 3: Access Fee calculation

$$\text{Access Fee (\$ p.a.)} = \left(\text{C\&E Fee (\$/MW)} + \text{Non-C\&E Fee (\$/MW)} \right) \times \text{Maximum Capacity (MW)} \times \text{Fixed Indexation (\%)}$$

- The C&E Fee component is set at a total value of \$2,300/MW p.a., based on \$1,700/MW for the community fee and \$600/MW for the employment fee.
- The Non-C&E component is set at a total value of \$1,700/MW p.a., based on \$691/MW for the administration fee and \$1,009/MW for the contribution to the Roadmap.
- Fees are indexed at 2.5% per annum from 1 July 2024, applied on a quarterly basis (i.e. 0.625% per quarter).

2.3 Important clarifications

Initial Allocation Access Right

These Guidelines are only applicable to Access Right Holders who hold an Initial Allocation Access Right, where the Initial Allocation is defined in the SW REZ Access Scheme Declaration. It does not apply to other Access Rights held by a participant in the Access Scheme. Access fees for any future allocations of Access Rights in the SW REZ will be determined by the Consumer Trustee under a separate future Access Fee Determination.

Technology

The Access Scheme does not require load-only assets to obtain Access Rights or pay associated Access Fees. Access Fees apply to standalone storage and hybrid projects.

GST

Access Fees specified in the Access Fee Determination do not include GST. The payment or notional payment of GST is in accordance with the Access Payment Deed.

Access Fees beyond the current Access Scheme term

The Energy Minister may, following the end of the Access Scheme, declare a new access scheme under section 24 of the EII Act over some or all of the Access Rights Network. If a new scheme is declared, new Access Fees may be determined by the Consumer Trustee for its participants.

3. The Access Fee Determination process & adjustments

This section outlines the process followed by the Consumer Trustee in determining Access Fees in accordance with section 26 of the EII Act, and any subsequent changes to Access Fees.

3.1 Access Fee Determination process

The Access Fee Determination is a statutory decision by the Consumer Trustee under the EII Act and contains a formula which sets the Access Fee amounts payable to the SFV for the Initial Allocation Access Rights for the SW REZ.

The Access Fee Determination is published by the Consumer Trustee.

3.2 Adjustments to Access Fees

The Access Fee Determination sets the Access Fee based on a formula contained in Annexure 1 of the Determination. The formula will be applied by the SFV when it issues quarterly invoices. This formula provides that the Access Fee is set at \$1,000 / MW per quarter multiplied by the ARH's Maximum Capacity, and indexation. The \$/MW amount of the Access Fee may change due to indexation, which will be applied quarterly at 0.625% per quarter (2.5% p.a.) from 1 July 2024.

A further circumstance in which the total Access Fee payable by an ARH may change is if there is a change to the ARH's Maximum Capacity value for the relevant Initial Allocation Access Right as set out in the Access Rights Schedule. Such a change would not alter the \$/MW fee but may change the total amount of Access Fees that are payable based on the new Maximum Capacity. An increase or decrease in the Maximum Capacity value will result in a proportionate change to the Access Fee. The process for varying the Maximum Capacity is administered by the Infrastructure Planner under the Access PDA and included in the Access Rights Register.

4. Appendix

4.1 SW REZ Access Fee⁴

Table 5: Access Fees

Input	Unit	Amount	Notes
Community Fee (C&E Fee)	Nominal 2024 AUD\$ per MW per annum	\$1,700 / MW p.a.	Component to fund community purposes in accordance with section 26(2) of the EII Act.
Employment Fee (C&E Fee)	Nominal 2024 AUD\$ per MW per annum	\$600 / MW p.a.	Component to fund employment purposes in accordance with section 26(4) of the EII Act.
Administration Fee (Non-C&E Fee)	Nominal 2024 AUD\$ per MW per annum	\$691 / MW p.a.	Component to recover SW REZ Access Scheme administration costs incurred by the Infrastructure Planner.
Contribution to the NSW Electricity Infrastructure Roadmap (Non-C&E Fee)	Nominal 2024 AUD\$ per MW per annum	\$1,009 / MW p.a.	Component to reflect the benefits of connecting to the SW REZ Access Scheme as well as to support the financial sustainability and affordability of the NSW Electricity Infrastructure Roadmap consistent with s26(1)(a) of the EII Act.
Fixed Indexation	% per quarter	0.625%	Escalates all Access Fees on a quarterly basis. The base date for fixed indexation escalation is 1 July 2024.
Maximum Capacity	MW	As set out in the Access Rights Register	Access Fees are calculated based on the Maximum Capacity value for the relevant Initial Allocation Access Right as set out in the Access Rights Register, and as amended from time to time.

⁴ Inputs may be subject to change at the discretion of the Consumer Trustee.

Glossary

Access Fee Determination	The statutory decision by the Consumer Trustee that sets Access Fees for each ARH.
Access Payment Deed	SW REZ Access Payment Deed between an ARH and the SFV.
Access PDA	SW REZ Project Development Agreement between an ARH and EnergyCo.
Access Right Agreements	Access PDA and Access Payment Deed.
Access Rights Register	As defined in the Access Scheme Declaration
Access Scheme Declaration	Renewable Energy Zone (South West) Access Scheme Order 2024 under the EII Act as amended from time to time.
Administration Fee	The Access Fee component that covers the Infrastructure Planner's administration costs for the SW REZ.
ARH	Access Rights Holder, a person who holds an access right granted under the Access Scheme Declaration.
C&E Fee	The Community and Employment Fee component that contributes to community benefit sharing initiatives and employment initiatives.
Consumer Trustee	AEMO Services has been appointed as the NSW Consumer Trustee under the EII Act.
EII Act	<i>Electricity Infrastructure Investment Act 2020</i> (NSW).
EII Regulation	<i>Electricity Infrastructure Investment Regulation 2021</i> (NSW).
EnergyCo	Energy Corporation of NSW.
Infrastructure Planner	EnergyCo has been appointed the Infrastructure Planner for the SW REZ under section 63 of the EII Act.
Network operator	A person who owns, controls or operates, or proposes to own, control or operate, network infrastructure. Transgrid is the network operator for the SW REZ Access Rights Network.
Project	SW REZ new generation and storage projects seeking Access Rights.
Proponent	Generators or Integrated Resource Providers seeking access to the Access Rights Network through a tender process.
REZ	Renewable Energy Zone.
Roadmap	NSW Electricity Infrastructure Roadmap.
SW REZ	South-West Renewable Energy Zone.
SFV	Scheme Financial Vehicle.