

1 August 2025

Richard Owens

Review Lead

On behalf of the NSW Department of Climate Change, Energy, the Environment and Water

By email:

By email: transmissionplanningreview@dcceew.nsw.gov.au

Dear Mr Owens,

NSW transmission planning review – interim report

The Justice and Equity Centre (JEC) welcomes the opportunity to respond to the NSW transmission planning review interim report (the interim report).

We commend the direction of the review at this point and support the key recommendations contained in the interim report.

We note the panel's agreement with concerns we raised relating to cost recovery under the Roadmap, specifically:

While changes to cost recovery arrangements are not within the scope of this review, these differences inform the problem definition and the need for clear tests or principles to determine which projects should be planned under each framework given the significant impact that decision can have on some customers. We are also mindful of the inefficient and inequitable outcomes that can arise from the current cost recovery arrangements due to the disproportionate share of the costs that are recovered from small customers and the impact this can have on social license for the entire Roadmap and energy transition as noted in the Justice and Equity Centre's submission.

While we appreciate this recognition as an important and appropriate step, it is not clear what specific recommendations seek to respond to the identified concerns.

We acknowledge the issue of cost recovery is out of scope. However, as the panel agrees it is relevant to matters that are in scope, it does seem appropriate (and necessary) to respond to the issues in the recommendations. We see three examples of ways to do this:

- The panel could recommend that the Roadmap cost recovery framework is added to the terms of reference as part of subsequent stages of this process;

- The panel could make a recommendation to commence a separate process after the completion of this review with the intent of evaluating the appropriateness of the Roadmap recovery framework and developing recommendations for adjustments;
- The panel could recommend that certain elements or activities in the NSW transmission planning regime be carved out to retain the NER cost recovery arrangements rather than the EII Act arrangements.

We welcome the opportunity to meet further with the panel, NSW DCCEEW and any other stakeholders to discuss these issues and the progress of the Review in more depth. Please contact me at mlynch@jec.org.au regarding any further follow up.

Yours sincerely,

Michael Lynch, PhD
Senior policy officer
mlynch@jec.org.au