

27 October 2021

Department of Planning, Industry and Environment
Locked Bag 5022
PARRAMATTA NSW 2124
Via email: Electricity.Roadmap@dpie.nsw.gov.au

Dear Sir/Madam

Re: Infrastructure Safeguard Policy Paper – Part 6 of the EII Act

Thank you for the opportunity to participate in consultation on the development of the Infrastructure Safeguard and the regulations within it. Attached below is ATCO Australia's responses to the questions posed in the policy paper.

ATCO Australia (ATCO) support the Electricity Infrastructure Roadmap and the investment certainty it seeks to afford participants developing the mix of resources New South Wales will require over the course of the transition.

ATCO intends to seek an LTESA for its Central West Pumped Hydro (CWPH) project, a 325MW capacity, 2,600MWh or 8 hours of storage pumped storage hydropower facility, located near the Central West-Orana Renewable Energy Zone (CWO REZ). Construction of the CWPH is scheduled to commence early in 2023. The CWPH will provide flexible energy storage able to generate at any point between 64MW and 325MW, can be charged and discharged daily, and will provide ancillary services to support the secure operation of the CWO REZ.

ATCO have focused its response to the consultation questions around the following points:

- **Forecasting accuracy** - It is important to avoid too many 'sources of truth' in planning network and resource adequacy capability in developing the 20 Year Development Pathway and 10 Year Tender Plan in conjunction with AEMO's Integrated System Plan (ISP) and Electricity Statement of Opportunities (ESOO). While ATCO are encouraged by the appointment of AEMO Services Ltd as the Consumer Trustee, a publishing requirement to explain differences between these documents – if they emerged – will aid participants to accurately assess the viability of projects.
- **Prescribing scenarios** - The Consumer Trustee should consider prescribing in regulation scenarios that assume high grid-scale Variable Renewable Energy penetrations, such as the ISP step change scenario. This is in the best interests of both participants looking for investment certainty and the NSW consumer.
- **Outstanding merit and non-REZ projects** - ATCO supports the intent to allow non-REZ projects be recommended for LTESAs if they demonstrate outstanding merit. However, 'outstanding merit' should be defined differently between LTESA categories, or alternatively at the very least should minimise prescription to provide policy makers with room for discretion to assess each LTESA type appropriately.

- **Additional principles** - When considering 'outstanding merit' of long duration storage LTESA candidates outside of renewable energy zones, the ability to optimise transfer capabilities from REZs and provide stabilisation and system services capability should be considered. Detailing community benefits – such as the procurement of local staff, long term asset ownership and to minimise environmental impacts – should also be valued highly.

About ATCO

Established in Canada in 1947 and now a \$22 billion global company, ATCO has a long history of partnering with communities and indigenous groups, energising industries, and delivering customer focussed infrastructure solutions.

With 60 years' experience in Australia - having entered the market in 1961 - ATCO understands the Australian environment and is a trusted, long-term partner of many large and respected Australian companies.

Leveraging a 70+ year legacy of power generation, transmission and distribution networks operation and maintenance in Canada, ATCO has been providing gas-fired power generation in Australia for more than 20 years and is actively investigating investments across the entire energy value chain, including renewable generation, transmission, distribution and storage infrastructure for the national electricity market. ATCO is eager to apply its international expertise and experience in electricity, natural gas, hydrogen, water, storage and structures to its continued operations across Australia.

Experienced in building, owning and operating pipeline infrastructure globally, ATCO has successfully managed the Western Australian natural gas distribution network since 2011, and will apply its global capability and know-how to expand into solutions across transmission, storage and processing. In mid-2020, ATCO was selected, as a partner to rebuild Puerto Rico's electricity system; with a plan to modernise and operate the system for the next 15 years.

ATCO has invested in alternative and renewable energy solutions for 30 years. ATCO will continue to respond to disruption in the energy sector through investing in a range of projects that utilise new technologies and business models to provide energy solutions for a low carbon future. Activities in this area include renewable generation, microgrids, storage and hydrogen.

ATCO is a global leader in providing modular solutions to the community; from regional mining developments through to urban infrastructure development and provides a diverse range of services and products throughout various markets in Australia.

If you have any questions or would like to discuss any of the comments made in this submission, please contact myself or Ollie Tridgell, Manager NEM Energy Policy on [REDACTED]

Yours sincerely



Ben Bolot
Executive General Manager – Business Development