

Electricity Infrastructure Fund Policy Paper: Consultation submission form

This form is to be used to provide feedback on a series of questions included in the [Electricity Infrastructure Fund Policy Paper](#) to help inform the development of the regulations. The Electricity Infrastructure Fund Policy Paper considers detailed policy options to support Part 7 of the *Electricity Infrastructure Investment Act 2020* (NSW) (EII Act).

Please see the [Electricity Infrastructure Roadmap webpage](#) for more information.

Consultation questions

You do not need to answer every question. Please answer the questions of interest to you.

Chapter numbers indicate the location of questions in the policy Paper.

Please make your submission by **5pm on Wednesday 27 October** to Electricity.Roadmap@dpie.nsw.gov.au.

Confidentiality and submissions

Providing submissions is entirely voluntary, is not assessable, and does not in any way include, exclude, advance or diminish any entity from any future procurement or competitive process regarding the Electricity Infrastructure Roadmap, or any other NSW programs.

All submissions will be made publicly available unless the stakeholder advises the Department not to publish all or part of its submission. Authors may elect for some or all of their submission to be kept confidential. If you wish for your submission to remain confidential please clearly state this in your submission.

Your details

Submission type	<input type="checkbox"/> Individual <input checked="" type="checkbox"/> Organisation <input type="checkbox"/> Other Click or tap here to enter text.
Author name	Mark Waring
Organisation	Walcha Energy
Author title	Director
Phone	
Email	
Stakeholder group	<input checked="" type="checkbox"/> Generation or storage infrastructure provider <input type="checkbox"/> Electricity consumer or representative body

	<input type="checkbox"/> Network infrastructure provider <input type="checkbox"/> Energy retailer <input type="checkbox"/> Government or market institution <input type="checkbox"/> Individual <input type="checkbox"/> Other (please specify) Click or tap here to enter text.
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Questions

Table 1

Questions related to the guiding principles	
Question 1: Do you agree with the proposed guiding principles? Are there other principles which should be considered?	<p>Walcha Energy agrees with the principles stated in the consultation paper but proposes an additional principle:</p> <p>Timely – Contributions must be timed to ensure that funds are available in the Electricity Infrastructure Fund before they are needed</p> <p>Comment: This is essential to ensure that urgently required work is not delayed. The minimum prudent cash balance in the Fund, required under the Act, will need to be accumulated in the first year of operation.</p>
Question related to the approach for measuring and apportioning costs	
Question 2: Do you agree that apportioning contributions from distribution businesses based on a mixture of energy delivered and peak demand best aligns with the guiding principles? Is there a better option? Why is it better?	<p>Yes</p>
Questions related to the smoothing of cost recovery and hardship provisions	
Question 3: Do you agree contributions from distribution businesses should be paid quarterly to minimise working capital for distribution businesses? Will monthly payments become less problematic in the future?	<p>Yes.</p>

<p>Question 4: Do you agree the Scheme Financial Vehicle should use a loan facility to smooth costs over time? If not, why?</p>	<p>Yes. However <u>the extent of borrowing could be phased down as the prudential minimum Fund balance is accumulated.</u></p>
<p>Question 5: Do you agree a 3-year rolling average (1 year lagging and 2 years leading) is the best way to ensure adequate funds are available while also smoothing costs for consumers?</p>	<p><u>No. The work required in the first 10 years is likely to exceed requirements in later years and will be more variable. Plans will be evolving rapidly. A lagging component is not appropriate in a period of rapid change. It is also likely that fund requirements will periodically include emergent requirements (within a year or so) and that developments in the energy transition will lead to frequent changes in forecast requirements during each year. The size of the pool could be increased to smooth contributions.</u></p>
<p>Question 6: Do you agree the scheme should provide for a negative contribution amount? What threshold should be set for applying a negative amount?</p>	<p>No. Future contributions should be adjusted.</p>
<p>Questions related to transparency of costs and benefits to consumers</p>	
<p>Question 7: Do you agree it is important for consumers to understand the component parts of Roadmap scheme costs (e.g. payments under LTES Agreements compared to network infrastructure)?</p>	<p>No. This is too complicated for all consumers. However detailed information must be publicly available</p>
<p>Question 8: How can the benefits of the Roadmap be assessed and communicated, ensuring the information is up to date, accepted by stakeholders, relevant for consumers and without significant administrative burden?</p>	<p>Periodic strategic review and evaluation should be a task of the state's auditor general.</p>
<p>Question 9: Do you agree a mixture of annual reports, website(s) and bill information is the best way to inform consumers about the benefits and costs of the Roadmap? Is there a simple way to provide bill information?</p>	<p>Information that is simple enough to appear on bills will be open to misrepresentations. The bill could include a link to auditable website information.</p>

Questions related to exemptions	
Question 10: Do you agree with exempting entities up-front or would you prefer a rebate approach? Why?	Yes. Exemptions should be strategically and selectively applied to EITE entities and used to assist the greening of EITE entities and the development of new industries like hydrogen and other green exports. However exemptions should have a sunset clause that can be applied or extended up to a maximum period which could be 10 years in most cases.
Question 11: If exemptions were administered on a proportional scale (between 0 and 100 per cent), how could we categorise which entities should be subject to which level of exemption?	No comment
Question 12: Do you agree green hydrogen production should be treated in the same way as other emissions intensive and trade exposed industries, or should it be treated differently?	Green hydrogen should have preferential treatment over blue hydrogen and may need longer term exemption at an appropriate percentage level.
Question related to the Fund administration (financial reporting)	
Question 13: Do you agree the options outlined are an effective approach for financial reporting for the Fund? Are there any additional considerations?	Yes. Participants need to have access to full information.

Supporting information

<p>If you have additional information you would like to provide to support your views, please provide it here.</p> <p>If you have additional documents to provide to support your views, please email it with your submission.</p>	
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Confidentiality and submission publication preferences

Please indicate your publication preferences (select one option only).

☒ **Option 1: Non-confidential submission**

Your submission will be published on the Department's website. Your personal contact information (such as phone number and email address) will be redacted.

☐ **Option 2: Confidential submission**

Your submission will **not** be published on the Department's website. The name of your organisation will be published.

Some confidential submissions **may** be shared with the following entities:

- the Australian Energy Market Operator, Energy Security Board, Australian Energy Market Commission, Australian Energy Regulator, Independent Pricing and Regulatory Tribunal or the Australian Competition and Consumer Commission
- TransGrid, the Clean Energy Finance Corporation or the Australian Renewable Energy Agency or distribution network service providers
- the entities appointed or to be appointed under the EII Act (Consumer Trustee, Financial Trustee, Scheme Financial Vehicle and Regulator).

☐ **Option 3: Anonymous and confidential submission**

Your submission will **not** be published on the Department's website. The name of your organisation will **not** be published.

Your submission will **not** be shared with the with the following entities:

- the Australian Energy Market Operator, Energy Security Board, Australian Energy Market Commission, Australian Energy Regulator, Independent Pricing and Regulatory Tribunal or the Australian Competition and Consumer Commission
- TransGrid, the Clean Energy Finance Corporation or the Australian Renewable Energy Agency or distribution network service providers
- the entities appointed or to be appointed under the EII Act (Consumer Trustee, Financial Trustee, Scheme Financial Vehicle and Regulator).

The Department will redact personal details from submissions made by individuals to protect personal information. In the absence of an explicit declaration to the contrary, the Department will assume that information provided by respondents is not considered intellectual property of the respondent.

The Department may disclose confidential information provided by you to the following parties:

- NSW Government departments, NSW Ministers and Ministers' Offices
- the NSW Ombudsman, Audit Office of NSW or as may be otherwise required for auditing purposes or Parliamentary accountability
- other parties where authorised or required by law to be disclosed.

Where the Department discloses this information to any of these parties, it will inform them that the information is strictly confidential. The Department may publish or reference aggregated findings from the consultation process in an anonymised way that does not disclose confidential information.

We may be required to release the information in your submission in some circumstances, such as under the *Government Information (Public Access) Act 2009*.

Electricity Infrastructure Roadmap

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