

Renewable Energy Zones

The NSW Government's Electricity Strategy sets out a plan to deliver three Renewable Energy Zones (REZ) in the State's Central-West, New England and South-West regions. This builds on the NSW Transmission Infrastructure Strategy and supports the implementation of the Australian Energy Market Operator's Integrated System Plan.

These REZs will play a vital role in delivering affordable energy generation to help replace the State's existing power stations as they close over the coming decades. They will unlock a significant pipeline of large-scale renewable energy and storage projects, while supporting up to \$23 billion of private sector investment in our regions and up to 2,000 construction jobs each year.

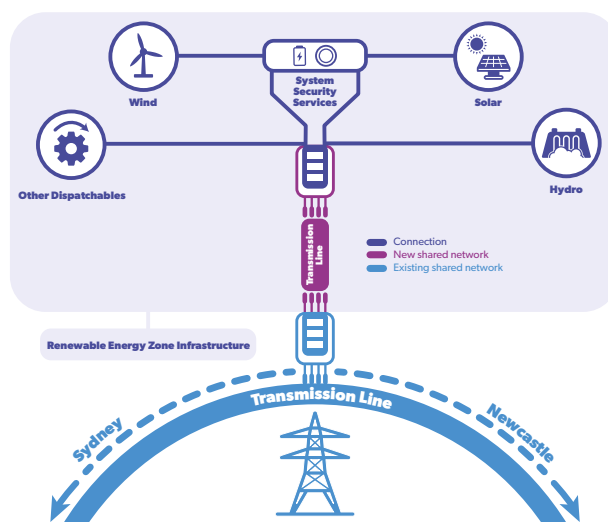
What is a Renewable Energy Zone?

A REZ involves the coordinated development of new grid infrastructure in energy rich areas, to connect multiple generators (such as solar and wind farms) in the same location. REZ capitalise on economies of scale, unlocking new generation at lower cost. They also provide opportunities for upfront planning and early community engagement.

The benefits of Renewable Energy Zones

REZs are expected to deliver many benefits for NSW, including:

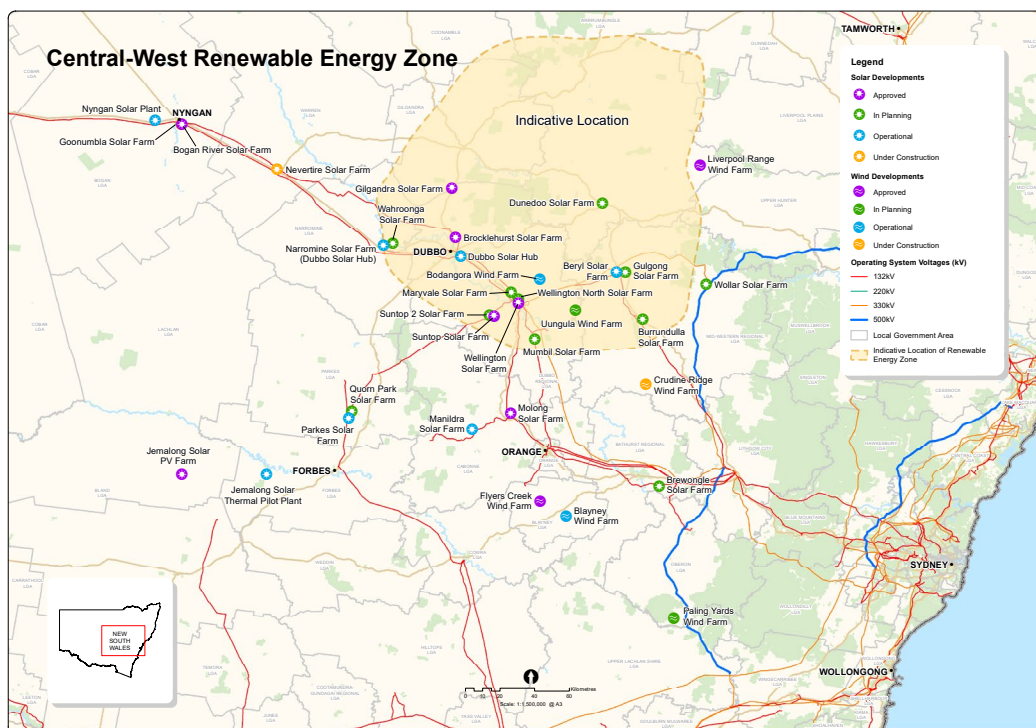
- **improving electricity reliability** – playing a critical role in delivering the bulk energy supply we need to replace NSW's retiring power stations over the next two decades
- **increasing affordability** – improving the affordability of energy by reducing wholesale electricity costs, with these reductions ultimately being passed onto NSW consumers in bill savings
- **supporting emissions reduction** – delivering emissions reductions in the electricity sector, while growing the economy and reducing the cost of living
- **engaging communities** – helping communities to actively participate in the development of energy infrastructure in their region.



Renewable Energy Zone locations

The NSW Transmission Infrastructure Strategy, released in 2018, identified the Central-West, New England and South-West regions as locations for REZs. These locations benefit from exceptional energy resources including wind, solar, bioenergy and hydro and are relatively close to existing grid infrastructure. They also have reduced environmental, heritage and land-use constraints, and benefit from existing investment interest from the private-sector.

Importantly, these REZs do not preclude the development of energy projects in other parts of the State, such as the Hunter Valley and South East and Tablelands, which may already have enough grid capacity to connect new projects.



Central-West pilot REZ

The NSW Government is in the early stages of feasibility and planning for the State's first pilot REZ, which is set to be built in the Central-West. It is expected that a Central-West pilot REZ would unlock up to 3,000 megawatts of new generation by the mid-2020's and be worth around \$4.4 billion in private sector investment once fully developed. This is enough new generation capacity to power around 1.3 million homes. This REZ alone is expected to support 450 construction jobs in the local region.

The Central-West benefits from significant existing investor interest with around 4,500 megawatts of projects either approved or in the planning system, relatively low build costs and a strong mix of energy resources. This REZ can also be developed as a stand-alone project and does not rely on other transmission projects to go ahead.

Delivery timeframes

Developing a pilot Central-West REZ will be complex. The NSW Government will ensure that adequate time is allowed to engage closely with stakeholders on the delivery of the pilot REZ.

It will take a number of years to design, develop and build the Central-West REZ, however construction is expected to commence by 2022 following extensive consultation with local communities.

Next steps

To support the development of REZ, the NSW Government has a plan to:

- engage with local communities to develop the detailed design of the REZ
- support strategic transmission upgrades to unlock access to the grid
- run an expression of interest process to understand the level of investor interest
- set-up a dedicated REZ body that will bring together investors and undertake early planning to maximise benefits for local communities
- change the regulatory settings, where needed, to incentivise generators to cover part of the cost of building new transmission for REZ.

Further information

The NSW Government welcomes input from communities, industry and other interested parties to help design and implement the NSW REZs.

- Visit our website to find out more about REZs: energy.nsw.gov.au/renewable-energy-zones
- Send us an email if you would like to join our mailing list and stay informed: REZ@planning.nsw.gov.au.

You can also read the NSW Farmers Renewable Energy Landholder Guide for further information about hosting renewable energy projects: nswfarmers.org.au/NSWFA/Content/IndustryPolicy/Resource/Renewable_Energy_Landholder_Guide