

From: Chester Li on behalf of EES ECCS Electricity Infrastructure Roadmap Mailbox  
Sent: Friday, 12 November 2021 5:32 PM  
To: Andreas Battocchio  
Subject: FW: Network Infrastructure Projects Policy Paper – NPA Submission

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From: Gary Dunnett <[REDACTED]>  
Sent: Friday, 12 November 2021 4:53 PM  
To: EES ECCS Electricity Infrastructure Roadmap Mailbox <Electricity.Roadmap@dpie.nsw.gov.au>  
Subject: Network Infrastructure Projects Policy Paper – NPA Submission

Dear Sir/ Madam

The National Parks Association of NSW offers the following comments on the Network Infrastructure Projects Policy Paper.

Questions related to the guiding principles

*Question 1: Do you agree with the proposed guiding principles? Are there additional principles that should be considered?*

The Paper proposes seven guiding principles to be used by the Department to consider policy positions relating to network infrastructure projects under Part 5 of the EII Act. They cover technical, legal and financial aspects, but omit any consideration of the physical and environmental impacts of the proposed infrastructure, and the assessment of alternatives. NPA recommends that the principles be expanded to include the following three considerations:

- i. Minimise environmental impacts and consider alternatives that further reduce such impacts
- ii. Minimise social and landholder impacts
- iii. Consider alternatives to the network project

Questions related to the Transmission Efficiency Test and the Regulator's determination

*Question 9: Is clarification required with regard to the principles to be taken into account by the Regulator and the Objects of the Act, and are there any additional principles that should be considered by the Regulator?*

*Question 12: What views do you have on these elements and is there any other guidance that should be included in the Guidelines regarding the revenue determination to be developed by the Regulator?*

*Question 13: Are there any elements of the AER's approach to assessing and setting regulated revenue requirements which should be modified or added to when considering the framework that will be applied under the EII Act in NSW?*

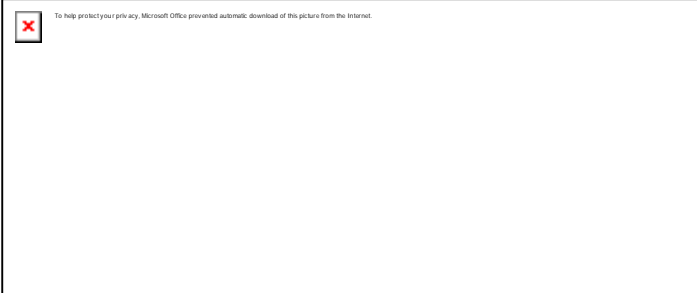
The Paper presumes that the cost of network projects is to be recovered from consumers. The 'easy option' of passing all costs on to the consumer will not always provide an equitable outcome, including in circumstances where there is a major or sole beneficiary, such as a generator, storage or load. In some cases projects also attract a Commonwealth subsidy that would result in a sub-optimal outcome.

HumeLink is an example of a project where the major beneficiary, Snowy Hydro Corporation, should be required to pay its fair share of the cost. In this case, Snowy 2.0 would be stranded without HumeLink.

NPA recommends that the policy be amended to require that the proponent of a network infrastructure project should determine the beneficiaries, both immediate and potentially in the future, and recommend an equitable cost-share arrangement.

Kind regards

**Gary Dunnett**  
Executive Officer  
National Parks Association of NSW



M PO Box 528, Pyrmont NSW 2009 | A [REDACTED]  
T 0 [REDACTED] | M [REDACTED] | W [www.npansw.org.au](http://www.npansw.org.au) | E [REDACTED]