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28 August 2024

Mr James Hay
CEO
Energy Corporation of NSW
GPO Box 5469
Sydney NSW 2001

James.Hay@dpie.nsw.gov.au

Dear Mr Hay

Council Submission in Response to the Notification of Draft Headroom Assessment in the CWO REZ ('Headroom Assessment') dated August 2024

Thank you for the opportunity to respond to the abovementioned document.

As Warrumbungle Shire Council ('Council') understands it, the matter at hand is as follows:

- a) The initial generation capacity for the Central West Orana Renewable Energy Zone ('REZ') was to be 3 GW. It has now been increased to 6 GW;
- b) The initial transmission infrastructure (i.e. network poles and wires) is to be built at 4.5 GW, not 3 GW; and
- c) Given the additional capacity to be built into the poles and wires, EnergyCo is looking to increase the generation capacity that can connect to the REZ (called a 'Headroom Assessment').

As you are aware Council is a key stakeholder in the REZ. Currently there are approximately 40 wind and solar generation projects and numerous transmission developments in or immediately adjacent to the REZ boundary. Eleven of these projects are in Warrumbungle Shire.

The Shire has been a rural region for nearly 200 years. The economic, social and cultural scene is rural to its bootstraps. With the establishment by the NSW Government of the REZ in 2021, the region is now addressing the challenges of plans for multiple renewable energy generation, storage and transmission projects to be located here. The REZ is a headline topic throughout the southern part of the Shire, thus documents such as the Headroom Assessment attract interest.

Council's primary concern is that there has already been a failure to contemplate the cumulative impact of the existing proposals. After reviewing the Headroom Assessment

document, we now beg the question 'how many more REZ projects are contemplated to be located in our Shire?'

The second question is 'what are the environmental, social and economic costs and benefits of the REZ projects? Furthermore, who reaps the benefits and who is burdened by the costs?'

In general terms, the over-riding question is 'what does this likely increase in REZ projects mean for Council and our residents and ratepayers?'

Council recommends all of the above questions be addressed in the Headroom Assessment document as they are the front-of-mind, material matters for our residents and ratepayers.

Council offers the following observations in relation to the document:

1. The document is written in a very technical manner, thus non-technical people are struggling to decipher its messages and what it means to them. Council recommends the document be re-written to explain the technical jargon in plain English so it is easier for lay people to understand, then re-issued and re-exhibited for comments.
2. The technical and engineering scope and design is but one part of our electricity generation and supply system. The other, **just as equally important** aspect is addressing **the social and cultural perspectives** for communities affected. Council recommends the document be revised, mindful of the latter and re-issued and re-exhibited.
3. It appears from the information provided on the EnergyCo website under 'Access Schemes', and elsewhere, that there is, in effect, no electrical engineering limit to the number of REZ projects. Rather, the NSW Government plans to keep increasing the capacity in the system as it wishes to allow more and more developments (subject to planning approval).

Council notes that under the REZ legislation there are plans for 'the market' to fund REZ 'network augmentations' in due course. This appears to suggest that expansions and upgrades are already foreshadowed and embedded into the system. Yet, on the other hand, the document is silent on the social and cultural aspects; and crucially what will be the cumulative, aggregated environmental, social and economic costs and benefits arising therefrom? How people will feel about the expansion plans is a most vital matter that needs to be explored.

In summary, the scope and tenor of the Headroom document leaves room for improvement and Council recommends the following actions be taken:

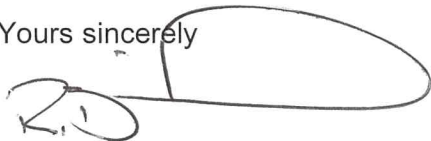
- a) The document is in effect silent on the social and cultural consequences of the engineering solution contemplated via the Headroom Assessment process. The engineering aspects must be considered in the context of what is acceptable from a social and cultural perspective. Thus, Council recommends the document be rewritten accordingly;
- b) The people in the REZ must be consulted now as to what the 'big picture' will look like for the REZ. Currently the process is very incremental and engineering driven – just project by project - and there is little openness and transparency as to what this region might look like in say, 10, 20- or

40-years' time. Council, residents and ratepayers must be told the truth now about what is in store for the REZ, including what are the likely cumulative, environmental, social and economic costs and benefits arising from not just the future new generation projects but also the ones currently known.

- c) Given the planning and assessment process is designed to facilitate project approval, it is deceptive and misleading to suggest the people can have their voice at that later project EIS stage. By then it is too late. The people must be given the opportunity now to help frame the full scope and extent of the REZ, including what the engineering aspects entail. Council thus recommends the document be revised and re-issued accordingly; and
- d) It is important that the community gains assurances that their concerns and perspectives are considered early in the REZ design and that community trust is built. Only then can higher levels of community 'social licence' for projects be secured and the risks of unplanned or reactive management of social impacts reduced.
- e) It does appear the State Government has jumped headlong into the REZ without due regard for the likely cumulative environmental, social and economic costs and benefits. The Headroom Assessment document exacerbates this concern. Council recommends that the NSW Government urgently assess and articulate the cumulative costs and benefits to the local REZ communities, across various expansion scenarios, with a view to building a better standard of social licence.

If you have any queries regarding the above, please don't hesitate to contact the undersigned.

Yours sincerely

A handwritten signature in black ink, appearing to read 'R. Bailey', written over a large, empty oval shape that serves as a placeholder for a stamp or seal.

ROGER BAILEY
GENERAL MANAGER