

# Report on Minister's decision on ACERREZ TOL application and summary of submissions

I, Penny Sharpe, Minister for Energy and Minister responsible for administering the *Electricity Supply Act 1995* (ES Act), have granted ACERREZ a Transmission Operator's Licence (TOL) under section 93A(2) of the ES Act. This report outlines the reasoning for my decision and provides a summary of submissions received.

In reaching my decision I have considered the ACERREZ Partnership Licence - Final Report (ACERREZ Final Report), including the proposed licence conditions for the ACERREZ TOL, prepared by the Independent Pricing and Regulatory Tribunal (IPART) and given due consideration to all feedback arising from submissions.

The ACERREZ Final Report recommends that a TOL with conditions be granted to ACERREZ (Chapter 2, ACERREZ Final Report). IPART makes this recommendation on the basis that:

- the granting of a TOL meets the objects of the ES Act, and will promote the security of electricity supply in NSW,
- ACERREZ Partnership has the capability and capacity to operate the proposed transmission system, and
- there are no relevant grounds on which the application should be refused.

IPART recommends the TOL be subject to conditions (Chapter 3, ACERREZ Final Report). These conditions include, among others:

- transitional arrangements which stipulate when each condition will come into effect to align with the expected construction and energisation timelines of the CWO REZ Transmission System, and
- the introduction of obligations unique to ACERREZ to support the safe and reliable operation of the CWO REZ transmission system.

I agree with IPART's recommendation and proposed conditions and have granted ACERREZ a TOL in accordance with the recommendations above. In IPART's assessment of ACERREZ's TOL application, several consultation processes were undertaken including public consultation on the licence application (ACERREZ Final Report, Appendix A), and the draft report and draft licence conditions (ACERREZ Final Report, Appendix B). In determining the ACERREZ TOL application I have given due consideration to the matters arising from these submissions, and while all submissions were broadly supportive of the licence application I note and agree with the proposed position IPART has recommended in their ACERREZ Final Report in addressing these submissions. Appropriate Ministers were consulted with and raised no material concerns or issues.

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