

16 April 2024

Independent Pricing and Regulatory Tribunal NSW
PO Box K35
Haymarket Post Shop
NSW 1240

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Designing a levy for regulating dam safety in NSW – issues paper – 19 March 2024

EnergyAustralia is one of Australia’s largest energy companies with around 2.4 million electricity and gas accounts across eastern Australia. We also own, operate and contract a diversified energy generation portfolio across Australia, including coal, gas, battery storage, demand response, wind and solar assets, with control of over 5,000MW of generation capacity.

Thank you for the opportunity to submit a response to the Tribunal’s Issues Paper.

EnergyAustralia owns and operates two dams, Lyell Dam (near Lithgow) and Thompsons Creek Dam (near Wallerawang).

Lyell Dam was constructed in the valley of the Coxs River to hold water for the Mount Piper Power Station. The dam is downstream of Wallerawang Dam and Thompsons Creek Dam, and together form the Coxs River Water Supply Scheme. These are water dams built to service Mount Piper Power station and Wallerawang Power Station (now closed). The Coxs River flows into Lake Burragorang and is a major contributor to Sydney’s drinking water supply.

Thompsons Creek Dam is an off-river storage providing 27,500ML of cooling water to meet EnergyAustralia’s needs for security of supply for Mt Piper Power Station. Thompsons Creek Dam has an additional 1,646ML of flood mitigation storage.

Lyell Dam is an on-river storage which also provides 33,500ML of cooling water for the Mt Piper Power Station. Lyell Dam has an additional 30,500ML of flood mitigation storage.

We understand and support the need for a Dams Safety NSW Levy. When determining an appropriate levy amount, we ask that significant weighting be given to:

- the volume of storage, with a levy amount based on storage volume reflecting a major cost driver, as well as being transparent and simple to administer
- flood mitigation, with a discount attributed to the level of flood alleviation
- public amenity, with a discount attributed to the access shared with the public and the community value.



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Lake Lyell is a popular amenity for the local community and a tourist destination for the state. Thompsons Creek Dam is renowned as a trophy fishery and is widely considered the best lake-based fishing in NSW.

As a major energy retailer, EnergyAustralia is acutely aware of affordability issues affecting the broader community. To this end we support the Tribunal considering the capacity of dam operators to pay the levy, as well as how it might be passed onto customers or communities serviced by each dam. Where affordability is an issue, we would recommend reliance on government support rather having other users pay more than their fair share via cross subsidies. Transparency in how fixed and variable costs are apportioned will be important, and the Tribunal should present and take stakeholder feedback on potential levies that result from different options for cost allocation. Ideally, any departures from efficient, cost-reflective outcomes because of administrative or other reasons should be minimised and appropriately justified.

If you would like to discuss this submission, please contact me on [REDACTED]
[REDACTED]

Regards

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