



**The Hon. Matt Kean MP**  
Treasurer  
Minister for Energy

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Mr Daniel Westerman  
Chief Executive Officer and Managing Director  
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Dear Mr Westerman, *Daniel*

The purpose of this letter is to advise the Australian Energy Market Operator (AEMO) of my intention to appoint the Energy Corporation of NSW (EnergyCo) as Infrastructure Planner for the Waratah Super Battery (WSB) and Hunter Transmission Project (HTP) so that these projects may be developed as Priority Transmission Infrastructure Projects (PTIPs), as set out under the *Electricity Infrastructure Investment Act 2020* (the Act). This intention accords with AEMO's identification and treatment of these projects as actionable NSW projects in the finalised 2022 Integrated System Plan.

### **Background**

AEMO has advised, as Energy Security Target Monitor, of possible target breaches in the forecast period due to intra-regional constraints. It also advised that new transmission developments that increase intra-regional transfer limits into the Sydney-Newcastle-Wollongong area would help alleviate major transmission constraints and reduce Energy Security Target deficits in the next decade.

### **Waratah Super Battery**

Following Origin Energy's decision to announce its proposed early closure of the Eraring Power Station as early as August 2025, the NSW Government announced on 17 February 2022 its commitment to ensuring a reliable energy supply for New South Wales through the procurement of a 700 megawatts (MW) standby network battery, the WSB. The WSB can be delivered in a timely manner in order to respond to the proposed closure of Eraring in 2025, and increase transmission capacity on the existing network while new transmission infrastructure is being developed.

The WSB will operate in conjunction with a System Integrity Protection Scheme (SIPS), providing a virtual transmission solution with the primary purpose of increasing transmission capacity into the Sydney-Newcastle-Wollongong area. The WSB is the first stage of delivering the final network solution – the Hunter Transmission Project (defined as the Northern Network Option component of the Sydney Ring in AEMO'S Draft 2022 Integrated System Plan) and will provide a timely and efficient solution to bridge the gap between the earliest closure of Eraring and the commissioning of the Hunter Transmission Project infrastructure.

### **Appointment of EnergyCo as Infrastructure Planner for the WSB**

I am writing to confirm that it is my intention to appoint EnergyCo as Infrastructure Planner for the WSB so that this project may be developed as a PTIP. This development pathway can provide accelerated delivery of the WSB, ensuring the reliability of electricity supply while the Sydney Ring projects (in particular, the Hunter Transmission Project) are delivered.

### **Appointment of EnergyCo as Infrastructure Planner for Hunter Transmission Project**

The Hunter Transmission Project is currently proposed to provide an estimated additional 5,000 MW of transfer capacity, enabling new generation in the New England Renewable Energy Zone (REZ) and Central-West Orana REZ to reach the Sydney, Newcastle and Wollongong load centres. In so doing, the Hunter Transmission Project will alleviate transmission constraints and provide the permanent network solution required to reduce EST deficits. To ensure the timely delivery of the Hunter Transmission Project, it is my intention to appoint EnergyCo as Infrastructure Planner for this project so that it may also be developed as a PTIP.

### **Establishment of the Transmission Acceleration Facility**

In February 2022, the Government first announced a Transmission Acceleration Facility (TAF) to accelerate the delivery of the infrastructure needed to support timely replacement of NSW's retiring coal generation fleet. The revolving \$1.2 billion TAF represents the budgeted commitment of the Government to the enabling development work which is a crucial factor in fast tracking the delivery of critical transmission infrastructure. As Infrastructure Planner for REZ and certain PTIP projects, EnergyCo will fund early development activities for key transmission projects, including the Central West Orana REZ, the New England REZ and the Hunter Transmission Project and the Waratah Super Battery. It is intended that investments made via TAF are recovered via the process to appoint successful network operators for project delivery and will be reinvested over the course of the Roadmap implementation.

If you require additional information or wish to discuss this matter further, please contact Mr Andrew Kingsmill, Executive Director, Technical Advisory Services at EnergyCo.

Yours sincerely,



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17.6.22