

# Integrated System Plan Consultation, for the National Electricity Market

February 2018



CENTRAL NSW  
COUNCILS



Centroc's Mission is to be recognised as the lead organisation advocating on agreed regional positions and priorities for Central NSW whilst providing a forum for facilitating regional co-operation and sharing of knowledge, expertise and resources; effectively nurturing sustainable investment and infrastructure development.

[www.centroc.com.au](http://www.centroc.com.au)

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Australian Energy Market Operator  
GPO Box 2008  
Melbourne VIC 3001

[ISP@aemo.com.au](mailto:ISP@aemo.com.au)

Dear Sir/Madam,

**Re: Integrated System Plan Consultation**

Central NSW Councils (Centroc) represents over 200,000 people covering an area of more than 50,000 sq kms comprising the Local Government Areas of Bathurst, Blayney, Cabonne, Cowra, Forbes, Hilltops, Lachlan, Lithgow, Oberon, Orange, Parkes, Upper Lachlan, Weddin, and Central Tablelands Water. It is about the same size as Tasmania with half the population and a similar GDP.

Centroc's vision is to be recognised as vital to the sustainable future of NSW and Australia.

Its mission is to be recognised as the lead organisation advocating on agreed regional positions and priorities for Central NSW whilst providing a forum for facilitating regional cooperation and sharing of knowledge, expertise and resources.

Centroc has two core objectives:

1. Regional Sustainability - Encourage and nurture suitable investment and infrastructure development throughout the region and support members in their action to seek from Governments financial assistance, legislative and/or policy changes and additional resources required by the Region.
2. Regional Cooperation and Resource Sharing – Contribute to measurable improvement in the operational efficiency and effectiveness of Member Councils through facilitation of the sharing of knowledge, expertise and resources and, where appropriate, the aggregation of demand and buying power.

The Centroc Board is made up of the 28 Mayors and General Managers of its member Councils who determine priority for the region. These priorities are then progressed via sponsoring Councils. For more advice on Centroc programming and priorities, please go to our website <http://www.centroc.com.au/>

Centroc members have been working closely in the energy space over the past few years through two successful grant funded projects under the federal Government's Community Energy Efficiency Program (CEEP), and the development of a Centroc Renewable Energy Innovation Project (REIP) which outlines areas for member councils to focus on in both energy efficiency and renewable energy. Centroc member councils also participate in regular meetings of the Centroc Energy Group which aims to progress projects identified in the REIP Plan.

Centroc considers that renewable energy, energy efficiency, distributed energy, advocacy for more equitable market structures and regional collaboration as all key elements to achieve much better energy procurement outcomes for Centroc stakeholders.

Recognising the likelihood of energy disruption in the next decade a program of works capitalising on the region's strengths and points of difference have been identified with a view to optimizing the outcomes for the communities of Central NSW to 2036. This program is called "Transmission Transition".

As part of "Transmission Transition" the REIP Plan has prioritised the following themes across the region:

1. Water pumping (solar and storage);
2. Distributed solar and battery storage on public and private facilities including micro grids;
3. Biomass based energy generation;
4. Hydro power generation;
5. A regional electric vehicle charging network;
6. Public lighting replacement program optimisation; and
7. Wind power with storage capacity.

To enable such technologies it is vital that the region has access to adequate grid infrastructure and grid connectivity.

Centroc provides the following responses to the key questions AEMO are seeking feedback on.

### **Question 3.1 – Does this analysis capture the full range of potential Renewable Energy Zones (REZs) in Eastern Australia?**

#### **Centroc response:**

AEMO's Integrated System Plan Consultation paper shows a range of potential Renewable Energy Zones however Central NSW does not appear as a potential zone. With a number of large-scale solar PV plants and windfarms around our region in operation and under development, we believe that Central NSW would be a highly desirable area for AEMO to consider and should be added to the list of potential REZs.

Noteworthy is the Vast Solar Concentrating Solar Thermal<sup>1</sup> project, which has potential for exploring the storage component and bringing innovation while growing a new internationally competitive industry. Further, the landscape in this region has potential for pumped hydro storage.

Specific renewable energy projects in Central NSW include the proposed 42.5MW Manildra Solar Farm and 50.6MW Parkes Solar Farm, along with the Vast Solar Concentrating Solar Thermal power plant in Jemalong near Forbes, NSW. Projects such as these need to have access to adequate grid infrastructure.

The construction and operation of large-scale solar PV plants provide the community of Central NSW with local economic development opportunities through job creation while bringing innovation to the region.

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<sup>1</sup> [www.vastsolar.com](http://www.vastsolar.com) and <https://arena.gov.au/projects/csp-pilot-plant/> The Vast Solar Concentrating Thermal Power has a total project value of \$21.46m with \$8.89m in funding from ARENA. The project explores the commercial potential of concentrating solar thermal technology to produce reliable energy at a reduced cost.

**Question 3.2 – What other factors should be considered in determining how to narrow down the range of potential REZs to those which should be prioritised for developments.**

**Centroc response:**

While Central NSW has its own growing population, the proximity to Sydney, Melbourne and Canberra makes it a suitable location for a REZ where the Forbes/Parkes region has great potential for large scale solar due to its landscape and geographic location to transmission lines. Noteworthy is that 25 mines have been slated for development in the next 25 years. Utilising existing transmission lines is a more efficient option than building new infrastructure.

**Question 3.3: What are the potential barriers to developing REZs, and how should these be addressed?**

**Centroc response:**

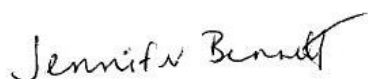
As Local Government, Centroc is well placed to work collaboratively with other key stakeholders in overcoming barriers. These include in particular the planning framework. Other challenges include the inflexibility of the regulatory framework creating challenges for, among other things, renewable energy procurement. Here the region has been piloting potential solutions and is very active in the procurement space.

Interestingly the NSW Government's Regional Plan for Central NSW and Orana has identified a more strategic approach to growing the renewable energy industry. There may also be scope for piloting co-designed optimisation of the REZ's where Centroc would be keen to be a leader in this space.

In summary, we believe that the addition of Parkes as a potential Renewable Energy Zone in AEMO's Integrated System Plan would be beneficial due to its location to existing grid infrastructure and proximity to large-scale renewable energy plants.

Centroc thanks you for consideration of this matter.

Yours sincerely,



Jennifer Bennett

**Executive Officer**

Central NSW Councils (Centroc)