

AER ENABLING CENTRAL-WEST ORANA RENEWABLE ENERGY ZONE NETWORK PRELIMINARY POSITION PAPER

17 NOVEMBER 2025

The Energy Users' Association of Australia (EUAA) is the peak body representing Australian commercial and industrial energy users. Our members are the engine room of the Australian economy, producing many of the products that households and business use every day including bricks, glass, steel, aluminium, paper, food and beverages. Combined, our members employ over 1 million Australians, pay billions in energy bills every year and in many cases are exposed to the fluctuations and challenges of international trade.

EUAA members are focussed on making products that meet their own customers' requirements where energy is just one input to the process albeit a critical one. Their expectation is that the energy industry continues to provide energy services that are fit for purpose and consistent with the National Electricity Objectives (NEO) so that our members can continue to provide a fit for purpose product for their customers.

Thank you for the opportunity to make a submission under the AER's Enabling Central-West Orana Renewable Energy Zone Network Preliminary Position Paper (PPP).

The EUAA are long-standing members of the Transgrid Advisory Council (TAC) and have observed varying levels of engagement and transparency on a range of proposals over a number of years including periodic revenue re-sets, major project proposals such as Project Energy Connect and Humelink and on specific technology issues such as system strength.

We were disappointed in Transgrid's approach to consultation on the CWO REZ, with much information being labelled "commercial-in-confidence" and Transgrid often presenting only one option for consultation for each component. For example, for financeability, Transgrid had five models, however only presented one to the TAC, which was the only model that supported their financeability argument.

We support all of the positions the AER has taken in the PPP

- For confidentiality and deferred capex mechanisms, we consider that the AER has applied its approach consistently between the Hunter-Central Coast revenue proposal and the current CWO revenue proposal.
- We are pleased the AER has thoroughly examined Transgrid's claims on the prudent, efficient and reasonable capital costs of the CWO Project.
 - Consumers are generally not able to, or do not have the requisite information and resources available to make this judgement and we therefore rely heavily on the AER to act in the best interests of consumers.
 - As an aside, we hope AER's position will inform EnergyCo and Transgrid in their negotiations on the upcoming synchronous condensers and Hunter Transmission Project to achieve a better outcome for consumers.

- We believe the AER's approach to deferred capex mechanisms is a constructive way to further support the application of an unmodified CESS.
- Transgrid openly stated it made the application for financeability to test the guideline. The AER has been very constructive and has provided a lot of detail to inform networks about its approach to applying the financeability guideline for future processes.
- The AER have made very specific recommendations to Transgrid on ways it can improve its engagement on future projects and we look forward to working with Transgrid as it evolves and improves its approach to engaging with consumers and consumer groups.

We recognise that Transgrid have a lot of work to do to improve its engagement with consumers and it is encouraging that recently Transgrid stated that they will be establishing a consumer only advisory group rather than the current TAC (that is a mix of stakeholders that includes consumers and consumer groups alongside supply side participants). The EUAA stands by its commitment to support Transgrid through this transition.

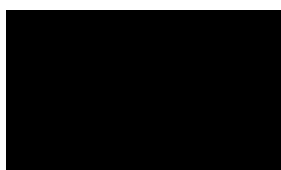
However, while Transgrid are communicating improvements in engagement, our experience on the TAC has been that these will likely be small changes rather than the quantum shift required. We await experiencing Transgrid's proposed new approach to consumer engagement.

That the future proposed improvements to consumer engagement by Transgrid are after this application, and that we do not know the details of how that engagement might influence delivery of projects like the current CWO Project, we encourage the AER to maintain its position stated in the PPP unless Transgrid are able to produce extensive evidence for the AER to change their position.

We look forward to future constructive engagement with Transgrid and the AER on the CWO and future projects.

The EUAA welcomes further discussion around the issues raised in this submission.

Do not hesitate to be in contact with EUAA Policy Manager Dr Leigh Clemow, should you have any questions.



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