

Ref: DOC26/467492

24 August 2026

Mr Scott Haig
Acting General Manager, Renewable Energy Zones Branch
Australian Energy Regulator
[REDACTED]

Re: AER Review of the NSW Electricity Infrastructure Fund Contribution Determination Guideline and associated Contribution Determination Model

Dear Mr Haig,

Thank you for your ongoing collaboration and the opportunity to provide comment on the draft NSW Electricity Infrastructure Fund Contribution Determination Guideline and associated Contribution Determination Model (Draft Guideline).

We welcome the intent of the Draft Guideline to provide greater clarity, transparency and predictability in the operation of the contribution determination framework, including the roles, methodologies and processes supporting annual determinations.

We provide the following observations to assist you in finalising the Draft Guideline:

1. EnergyCo supports, in principle, the AER being provided credible information for it to assess and inform its determination of an appropriate network infrastructure cost 'buffer' to recover from consumers.
2. As Infrastructure Planner, EnergyCo can provide additional, informed project-level perspective on lower-bound, central and upper-bound estimates for the target year, including probabilistic estimates where appropriate. The Draft Guideline should recognise that estimates may be preliminary at earlier project stages and become more reliable as project information matures.
3. EnergyCo's estimates should be treated as one input to the AER's assessment, rather than the sole basis for analysis. The AER should draw on multiple relevant sources and apply both quantitative and qualitative judgement when determining the appropriate buffer.

4. EnergyCo recommends that the Draft Guideline state that the Infrastructure Planner may provide these estimates where appropriate, having regard to the information reasonably available to it, rather than framing their provision as an unqualified requirement. The Draft Guideline should explicitly recognise that the availability and reliability of information may differ between projects and delivery arrangements and that estimates are inherently subject to uncertainty and should not be treated as assurances or guarantees.
5. The Draft Guideline should note that EnergyCo's ability, as the Infrastructure Planner, to obtain relevant information depends on its contractual rights and lawful access to such information. Any confidential and sensitive information provided should be handled in accordance with applicable legal and contractual requirements and the Draft Guideline's non-disclosure process.
6. EnergyCo recommends the 'buffer' be explicitly calibrated so consumers fund no more than is reasonably necessary for the Scheme Financial Vehicle to meet its liabilities as they fall due and maintain an appropriately prudent level of liquidity based on likelihood of the cost risk being realised against the immediate consumer impact of recovering 'buffer' funds.
7. When requested EnergyCo will nominate an accountable Executive to provide estimates to the AER. Where EnergyCo provides estimates, the AER should engage with the accountable EnergyCo Executive to understand their methodology, assumptions, limitations and level of confidence. Upper-bound or low-probability scenarios should inform the AER's assessment of risk but should not be adopted mechanically as the amount to be recovered.
8. EnergyCo requests that the Draft Guideline specifically note that EnergyCo's provision of an estimate should not be interpreted as approval or endorsement of a network operator's proposed cost adjustment, entitlement or payment. As the Draft Guideline recognises, contribution determinations concern the Fund's liquidity and do not determine underlying rights or liabilities. The AER remains responsible for assessing the available evidence and making and gazetting the contribution determination. Any underlying cost adjustment or payment remains subject to the applicable statutory, regulatory and contractual processes.

If you have any questions or would like to discuss further, please contact Rob Pfitzner, Interim Executive Director, Commercial, Regulatory & Markets at EnergyCo, at

[REDACTED]. Thank you again for the opportunity to comment and discuss the Draft Guideline.

[REDACTED]
Rob Pfitzner

Interim Executive Director, Commercial, Regulatory & Markets, Energy Corporation of NSW