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IIO Report: Our plan for meeting NSW's future electricity needs

By Melanie Koerner, General Manager System Planning and REZ

It's been a year since we published our first Infrastructure Investment Objectives Report (IIO Report). In the energy space with its plethora of reports and modelling, another report isn't a headline grabbing event. In fact, we've already published another one: the [2022 Infrastructure Investment Objectives Report](#).

The IIO Report is different. Together, the forthcoming Network Infrastructure Strategy and IIO will be the blueprint for meeting NSW's future electricity needs. It sets out a development pathway for the next twenty years, and a tender plan for the next decade, identifying the timing and scale for generation and storage investment and building in flexibility to ensure the interests of consumers are prioritised.

The defining features of the IIO Report are:

1. **It's a 20-year plan.** We want to ensure industry, consumers and the community at large have certainty about the level of investment necessary to best deliver affordable, clean and reliable energy.
2. **It has real impacts.** By setting out a rolling ten-year schedule (and indicative sizes) of biannual competitive tenders for generation, long duration storage and when necessary, firming infrastructure, it shapes the amount of energy we decide to support through Long-Term Energy Service Agreements and Access Rights. It's also an innovative way to help projects time their milestones with our tender schedule and self-assess when they are best placed to participate.
3. **The long-term financial interests of consumers are central.** Unique to what we do as the NSW Consumer Trustee is considering both the energy system needs and the value to NSW electricity consumers. This is the backbone of the report and is paramount to the critical decisions we make that will shape NSW's energy future.

Bringing the report to life

The tender plan is underway; the first competitive tender for generation and long duration storage opened in October this year and we are now carefully reviewing project bids.

Interest in the tender has been strong, with more than 5.5GW of wind and solar projects and 2.5GW of long duration storage projects submitting bids. As momentum around the energy transition and the NSW Electricity Infrastructure Roadmap gathers pace, the IIO Report will provide important context for proponents considering participating in a tender, as competition intensifies as Renewable Energy Zones become available.

The Report is also adaptable – we’re required to update it every two years. This year, we’ve issued a new report as required by legislation due to being directed to conduct a competitive tender for firming infrastructure. As it currently stands, this is a one-off tender to help the energy system at times of peak demand. It demonstrates our ability to quickly adapt our long-term plan in light of changing market conditions, a key marker of the plan’s resilience and ability to deliver the energy system we need.

We’re constantly evaluating our progress against the evolving needs of the NSW electricity system, and in twelve months’ time we’ll issue an updated IIO Report which will detail the ways in which we’ll respond to changes in the external environment, as well as our lessons from the initial tender rounds.

This proactive and responsive approach to the greatest infrastructure challenge of our age will place NSW in good stead to ensure affordable, reliable and cleaner electricity.

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About the author

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Melanie is responsible for leading AEMO Services’ System Planning and Renewable Energy Zone authorisation function. In this role, Melanie leads the development of Infrastructure Investment Objectives Reports.

Melanie joined AEMO Services with twenty years of experience as a consultant, leading transformation in Australia’s energy sector, with a focus on policy design, regulatory reform and business case development within emerging and existing energy markets. She has previously worked in a consulting capacity across the sector including for regulated network businesses, energy retail companies, energy market bodies and government.

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