

28 August 2026

Transgrid

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Project Assessment Draft Report – Sydney Ring South

The Australian Energy Council (AEC) welcomes the opportunity to provide early comments on the Project Assessment Draft Report (PADR) for the Sydney South Ring.

The AEC is the peak industry body for retailers and generators operating in energy markets. Our members generate and sell energy to over 10 million homes and businesses. We seek to deliver a market that allows consumers to benefit from the transition to a reliable, affordable and decarbonised energy system. The AEC supports the transition to net zero emissions by 2050, and the role of the electricity sector in unlocking opportunities for reductions in other sectors. AEC members are major investors in the renewable energy, firming and energy security services needed to deliver an effective transition.

Overall Views

The proposed Sydney Ring South transmission upgrade is of vital importance to the National Electricity Market (NEM) as the grid continues to transition to a higher renewables future.

The AEC supports Transgrid's conclusion that Option 6 represents the preferred solution. The staged approach proposed by Transgrid recognises the need to deliver near-term congestion relief while also establishing a pathway to a longer-term network solution.

Congestion between Southern NSW and Sydney is a growing problem, increasing prices, reducing investment signals and undermining system reliability. Sydney Ring South will improve the ability of renewable generation to reach the Sydney load centre and reduce the frequency and severity of network congestion.

The importance of completing Sydney Ring South and connecting transmission links is underlined by the scale of investment in generation, firming and storage now underway. Across NSW, five REZs are being created, supported by new firming and storage assets. The value delivered by these investments to consumers depends not only on the capability of the projects, but on the ability of the transmission network to transport energy to load centres. Transmission augmentation is essential to maximise these resources and facilitate the retirement of coal assets.

Sydney Ring South should therefore be viewed not only as a reliability investment but also as an enabling investment that supports efficient renewable energy development across NSW.

The AEC notes that significant cost increases have become a recurring feature of major transmission projects, with this cost ultimately borne by consumers. We suggest that there is a need for stronger assessment, cost-control and accountability measures for major transmission investment. New transmission will be important to the energy transition, but this does not justify

inadequate scrutiny of project costs. The regulatory framework should require transparent reassessment and effective controls where estimated costs increase materially.

Any questions about this submission should be addressed to Matthew Kaspura, by email matthew.kaspura@energycouncil.com.au

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