

Connecting energy projects to the network

A community guide



What is needed to connect new energy projects to the network?

When building a new energy project, an energy developer (e.g. generator, data centre) needs to build the poles and wires, and/or underground cables, that connect the new energy project site to a suitable connection point on the existing electricity network. This is called a network extension.

These network extensions often use public space such as alongside roads or through reserves, however can also be built on private land using an easement. The length of the line is dependent on how far away the energy project site is from a suitable connection point.



Energy developers
(proposed energy project)



Connection infrastructure
(poles and wires, or
underground cables)



**Distribution Network
Service Provider**
(electricity network)

Who is involved?

Energy developers

Energy developers plan and build energy projects. They apply to Ausgrid to connect their proposed project to the electricity grid, and engage Accredited Service Providers (ASPs) to design and construct the connection infrastructure. They're responsible for funding the project including new connection infrastructure, ensuring all works meet technical and safety standards, and have received development approval.

Ausgrid

Ausgrid owns and operates the electricity network. It sets technical requirements, reviews connection applications, and checks the design and construction work of the proposed connection. Ausgrid checks that safety rules and legal requirements have been met before connecting the generator to the network.

After construction and energisation of the works, the connection infrastructure assets become part of the Ausgrid network and are owned, operated and maintained by Ausgrid.

Accredited Service Providers (ASPs)

ASPs are engaged directly by energy developers to design and construct the required infrastructure to connect the energy project to the Ausgrid network.

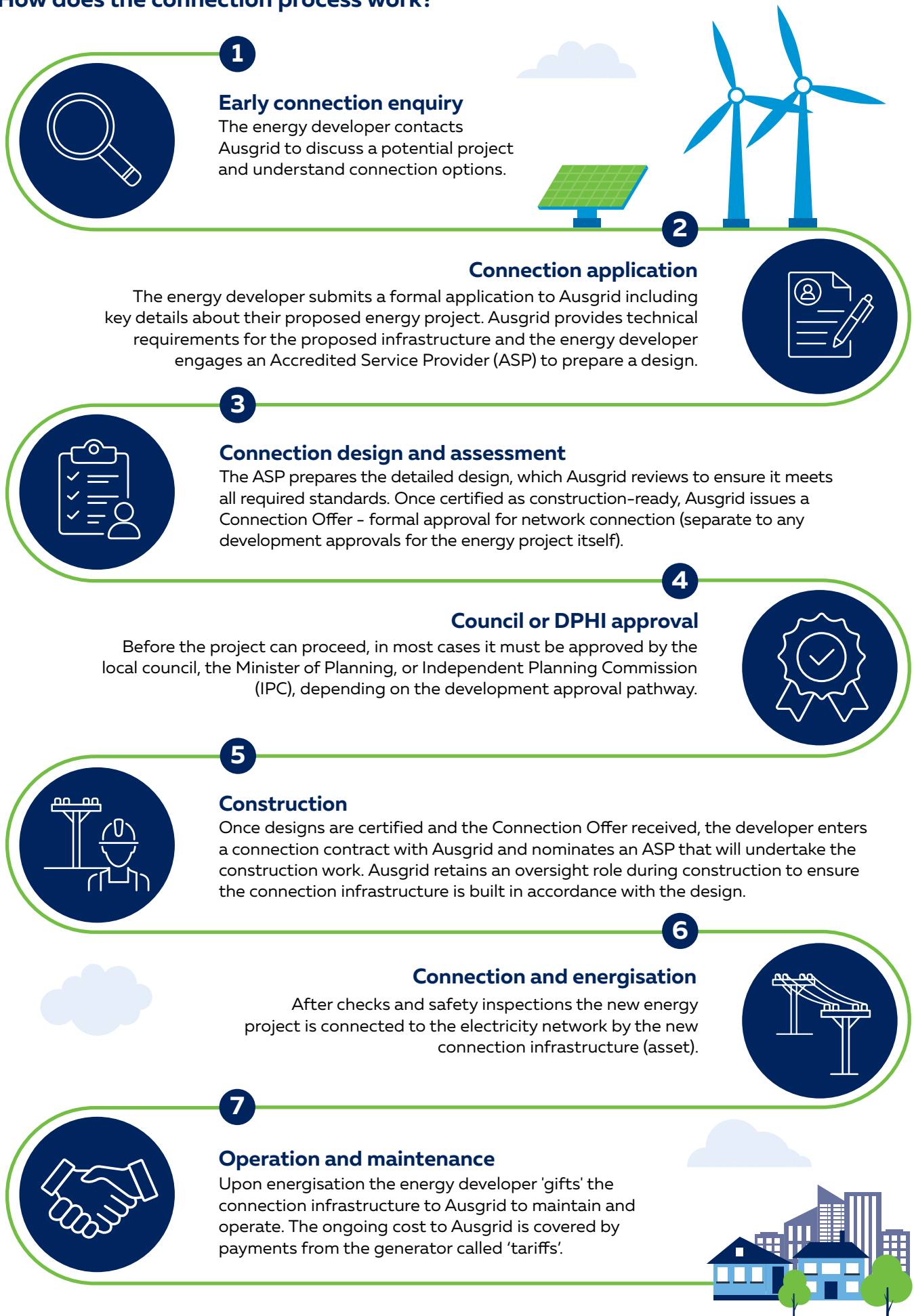
Local councils

Councils generally assess development applications for generator **projects under \$30m (or under \$10m in an environmentally sensitive area of State significance)**, looking at land use, planning laws, and community impacts. In these cases, generators are required to consult with council, as council approval is often needed before construction begins. Local councils often have other roles on the project including approving construction works and providing road occupancy licences as the Roads Authority for local roads.

Department of Planning, Housing and Infrastructure

For proposed **developments over \$30m (or over \$10m in an environmentally sensitive area of State significance)** the department assesses the project in accordance with government legislation, policies and guidelines, and makes recommendations to the relevant consent authority (such as the NSW Secretary of Planning or Independent Planning Commission) to determine the project.

How does the connection process work?



Is the connection approval the only approval the developer needs to get?

No, the connection approval from Ausgrid is not the only approval a developer needs. While this approval is essential for connecting to the electricity network, developers must also obtain other approvals, including development approval from the local council or relevant planning authority. Additional requirements may include land access agreements, environmental approvals, and compliance with other regulatory obligations depending on the scope and location of the project.

What development approval is required for energy developers?

Electricity generation projects generally with a capital investment **over \$30 million, or over \$10m in an environmentally sensitive area of State significance**, are classified as State Significant Development (SSD) under the State Environmental Planning Policy (Planning Systems) 2021. These projects must lodge a Development Application (DA) with the NSW Department of Planning, Housing and Infrastructure (DPHI).

DPHI oversees the assessment process under the *Environmental Planning and Assessment Act 1979*. This involves coordinating input from other government agencies and councils, engaging the community, and preparing a detailed assessment report with recommended conditions for approval.

Secretary's Environmental Assessment Requirements (SEARs) set the scope of the Environmental Impact Statement (EIS) and usually requires community and stakeholder consultation, following DPHI's Engagement Guidelines for State Significant Projects.

The EIS must assess a range of potential impacts such as land use, visual and noise impacts, biodiversity, Aboriginal and historic heritage, transport, water, hazards, and social effects, and outline how these impacts will be avoided, minimised, or managed in line with government policies.

The DA process for SSD projects includes:

- early consultation with DPHI
- a Scoping Report from the developer to request Secretary's Environmental Assessment Requirements (SEARs)
- preparation of an Environmental Impact Statement (EIS)
- public exhibition of the EIS for community and stakeholder feedback
- a Submissions Report from the developer responding to issues raised
- a whole-of-government assessment led by DPHI
- a final decision by the Minister for Planning or the Independent Planning Commission.

For projects **under \$30m, or under \$10m in an environmentally sensitive area of State significance**, energy developers should seek advice regarding the appropriate planning pathway. These investigations should occur at the same time as engaging with Ausgrid, who will advise on the required technical specifications for the connection infrastructure.

Can an energy developer remove the connection infrastructure from their SSD application?

No, not if the infrastructure is essential to the project.

Whether connection infrastructure will form part of a single proposed development is not always clear. Energy developers should seek appropriate advice prior to lodging a development application, including whether it is appropriate to request the NSW Planning Secretary determine that connection infrastructure does not form a part of a single proposed development.



How does Ausgrid determine who is granted a connection?

Ausgrid determines whether to grant a connection approval based on several key principles and requirements. All connection applications must follow the contestable connections process, in line with the *National Electricity Rules* and the *Electricity Supply Act 1995 (NSW)*. Ausgrid prioritises applications that are complete and considers network constraints and site-specific factors.

Approval is guided by the following criteria:

- **Order of application:** Capacity is typically allocated on a first-come, first-served basis. However, customers can secure capacity earlier by entering a commitment contract with agreed milestones.
- **Use of existing capacity:** Ausgrid prefers solutions that make use of existing network capacity, provided technical standards are met, before approving works that require customer-funded upgrades.
- **Safety and compliance:** Every connection must meet strict safety standards, network requirements, and comply with legislative obligations.
- **Equal treatment:** Ausgrid is required to ensure that all connecting customers, regardless of their relationship with Ausgrid, follow the same connection process in order to ensure fairness and transparency.

For those developers opting for an early capacity commitment, Ausgrid maintains the allocation if agreed milestones are met. If customers follow the standard process, capacity is granted later in the process, after a formal connection offer is issued. In either case, project timelines must be adhered to for approval to remain valid.

Can developers use Section 45 under the *Electricity Supply Act 1995 (NSW)* to construct the new connection?

No, energy developers themselves cannot use Section 45. However, the Accredited Service Provider (ASP), authorised by Ausgrid, may act as an agent or authorised person under Section 45 to carry out the necessary works. The developer can engage the ASP if they are authorised by Ausgrid.

Who is Ausgrid?

Ausgrid is the largest electricity distributor on Australia's east coast, serving over 1.8 million customers across Sydney, the Central Coast, and the Hunter Valley.

We're committed to ensuring safe, reliable and affordable energy is delivered to millions of homes and businesses every day. We are responsible for the operation and maintenance of substations, powerlines, underground cables, and power poles, spanning 22,275 square kilometers.

As a leader in energy distribution, we oversee a complex network of electrical assets, whilst driving innovation and finding solutions to support the evolution of the grid.

Find out more

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For general Ausgrid enquiries



13 13 65 Monday to Friday 9:00am to 4:30pm



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