

Reasons for Priority Project Determination: Clean Energy Link East - Stage One

25 August 2026

On 25 August 2026, I published a Determination in the *Government Gazette* that Clean Energy Link East - Stage One is a 'priority project', pursuant to section 16.1 of the Electricity Networks Access Code 2004 (**Access Code**) (**Determination**).

That publication was made pursuant to section 16.2 of the Access Code.

In accordance with section 16.3 of the Access Code, I am also required to publish the reasons for the Determination, including the basis on which I consider that the Determination meets the Access Code objective outlined in section 2.1 of the Access Code.

My reasons are set out below.

Hon Amber-Jade Sanderson MLA, Minister for Energy and Decarbonisation

Clean Energy Link East - Stage One transmission terminal and infrastructure

The scope of Clean Energy Link East - Stage One (CEL - East Stage 1) is as described in the *Electricity Networks Access Code 2004 Priority Project Determination (Clean Energy Link East - Stage One) 2026*, and includes the establishment of a new terminal substation southeast of Muja (Cordering terminal (T6)), and the expansion of existing terminal substations at Muja terminal and Shotts terminal.

As per section 9.24B of the Access Code, the Determination of this project as a priority project means that it is not subject to the Regulatory Test. Whole-of-system modelling work has consistently identified network augmentation near Collie (i.e. CEL - East Stage 1) as being urgent, time-sensitive, and no-regrets enabling works; particularly in a context of projected rising electricity demand, coal-fired generation retirements, and long-term industrial expansion.

Compared to alternatives, including customer-led works, a priority project Determination is warranted to provide for timely delivery of the CEL - East Stage 1 project, regulatory certainty, and the connection of renewable generation to facilitate lower system costs. I therefore consider that this Determination meets the Access Code objective.

Modelling in the South West Interconnected System Demand Assessment and beyond

The May 2023 *South West Interconnected System Demand Assessment* (SWISDA) outlined modelling analysis of network, generation, and storage infrastructure required to support future demand for the South West Interconnected System (SWIS).

The SWISDA was delivered by a Taskforce led by the Department of Treasury (now the Department of Treasury and Finance), with members from Energy Policy WA (EPWA) (then part of the Department of Energy, Mines, Industry Regulation and Safety, and now part of the Department of Energy and Economic Diversification (DEED)); Electricity Networks Corporation (Western Power); the Department of Premier and Cabinet; the Department of Jobs, Tourism, Science and Innovation (now part of DEED); and the Department of Water and Environmental Regulation.

The SWISDA outputs were underpinned by a linear programming simulation to determine the infrastructure needed to meet electricity demand for the next 20 years at the lowest total system cost.

The simulation solved a mathematical optimisation problem which sought to minimise total system costs, and select from inputted generation, storage, and transmission network candidates to determine the optimal location, size, and timing of new infrastructure investments required to meet future electricity demand in the SWIS.

Four demand scenarios were developed through the SWISDA, including extreme and high growth scenarios, a more conservative future-ready scenario, and a base model scenario which involved only load growth from the expansion of existing loads in the SWIS and electrification of existing connections.

The modelling identified that substantial new transmission infrastructure in the SWIS would be required to realise lowest system costs under all future demand scenarios.

The new transmission infrastructure identified under the SWISDA included transmission requirements in north, central, south, and east regions. These four regions were further disaggregated into 'Clean Energy Link' projects in the May 2024 *SWIS Transmission Planning Update*.

Revised modelling outcomes from 2024

The outcomes of the SWISDA were updated in 2024 by EPWA, with inputs from Western Power and the Australian Energy Market Operator (AEMO). The revised modelling:

- Considered the latest demand forecasts from AEMO's Wholesale Electricity Market (WEM) *Electricity Statement of Opportunities* (ESOO) 2024, which incorporated record peak demands throughout summer, but with electrification

and hydrogen loads removed from the forecast due to the uncertainty surrounding these.

- Included updated inputs around generation connections and potential transmission infrastructure builds.

These additional inputs were applied to the same linear modelling program used for the SWISDA in 2023.

The new modelling tested a number of scenarios, including: maintaining system strength when high volumes of renewables are connecting to the SWIS; consideration of coal retirements; how much generation capacity and transmission network are required when demand growth is conservatively low (i.e. 'least regrets' investments); and whether planning work to deliver transmission network builds in stages affects delivery timelines.

The revised modelling outcomes indicated that transmission network expansion from the existing Collie region to the southern and eastern regions of the SWIS was crucial to supporting the connection of diversified renewable generation sources:

- Network developments from the Muja to Merredin area by 2029-2032 were required to enable access to new wind capacity.
- Network augmentation from Muja to Kojonup was part of the least-cost development pathway for the SWIS beyond 2030-31 and was critical for accessing the Kojonup area wind resource – a complementary resource profile to the northern SWIS.

The modelling highlighted that expansion of the transmission network to the east of Collie would enable access to new wind generation capacity in the near- and longer-term. Network augmentation in the Muja-Collie area would mitigate identified transmission bottlenecks, allowing future wind farms located to the east of Collie to supply the metropolitan demand areas to the north of the SWIS.

The demand forecasts contained in AEMO's ESOO 2026 likewise point to a need for urgent reinforcement of the southern and eastern transmission corridors of the SWIS. In relation to its own probabilistic modelling of end-customer demand shortfalls in the south sub-region of the SWIS due to unavailability of generation and/or interconnection capacity (known as unserved energy (USE) events), AEMO notes CEL - East Stage 1 will provide broader power system support, including to 'materially reduce USE events', to the benefit of network users.

SWIS Transmission Plan 2025

The September 2025 *South West Interconnected System (SWIS) Transmission Plan* translated the findings from SWISDA and the 2024 revised modelling described above into 'practical planning and scoping'. The modelling underpinning this plan assessed the commercial feasibility, constructability, and system-wide benefits of alternatives.

All preceding modelling exercises supported the need for transmission investments to support geographic diversity of wind generation – meaning investments to the east and south of the SWIS. CEL - East Stage 1 forms the foundation for CEL - East and future CEL projects to connect further south, increasing utilisation, supporting reliability, and future-proofing investments in the SWIS.

CEL - East Stage One and the Access Code objective

The Access Code objective is set out in section 2.1 of the Access Code. I have also considered the State Electricity Objective (**SEO**) as set out in section 3A(1) of the *Electricity Industry Act 2004*, which is strongly aligned with the Access Code objective.

The delivery of CEL - East Stage 1 meets the Access Code objective because it represents efficient investment in the Western Power network for the long-term interests of consumers. It does this in relation to price, quality, safety, reliability, and security of electricity supply, as well as the environment, including greenhouse gas emissions.

Lower system costs

The 2023 and 2024 modelling exercises described above have consistently demonstrated that CEL - East Stage 1 is a necessary investment to achieve lowest system cost. The project's capacity to lower the price of electricity supply relates to it being an efficient investment that connects new, primarily wind, generation. The entry of further renewable generation capacity is critical to lowering electricity costs over the medium to long term. But this generation requires adequate network capacity to connect. Without sufficient network capacity to enable the connection of renewable energy projects, there will be a greater and persistent reliance on gas generation as coal generation exits. This risks higher costs for all SWIS electricity users in the medium- to long-term.

System reliability and security of supply

CEL - East Stage 1 will support system reliability and security of supply through its ability to connect new, diversified generation. The project enables access to new wind capacity in the Collie-Darkan area in the short term, and further to the south once further stages of transmission investment are progressed. These geographic areas have distinct wind profiles when compared to existing wind generation, which is largely concentrated in the north of the SWIS. Access to diversified wind profiles improves system security by reducing exposure to correlated weather events and plant outages. As a result, CEL - East Stage 1 will also facilitate reduced firming requirements from other sources, which tend to have higher costs.

Environmental benefits

CEL - East Stage 1 supports the environmental consequences of energy supply by enabling the connection of substantial renewable energy resources in the project

area, including to facilitate industrial decarbonisation. These low-emissions energy resources constitute a significant portion of the generation required to meet near-term future energy demand.

The existing transmission network will need to be expanded to connect generation and customer loads progressively into the future. CEL - East Stage 1 has been designed to optimise utilisation of existing network infrastructure in the Collie region and locate close to planned and existing renewable generation. In addition to limiting inefficient duplication, this will limit environmental impacts (including land use requirements) of the project itself, as well as future proponent network connection works.

I therefore consider that the Determination of CEL - East Stage 1 as a priority project is consistent with the Access Code objective, and the State Electricity Objective, and that the project itself meets the Access Code objective. The project is an urgent and time-sensitive network augmentation that will reduce total system costs, enable least-cost generation investment, and support the connection of more diversified sources of renewable energy to lower emissions and improve system security, thereby promoting the long-term interests of consumers.