



## Submission to the Tasmanian Government on the Draft Renewable Energy Coordination Framework

RE-Alliance, formerly known as the Australian Wind Alliance, is a community based organisation of around 500 financial members, with an extensive online and social media following. Our members include landholders, farmers, small businesses, climate campaigners, environmentalists and members of the community. Our vision is helping to deliver a renewable energy transformation in Australia filled with sustainable, long-term community benefits for regional communities.

## Recommendations

1.	An auction process for Tasmania could be valuable to coordinate development geographically and over time, set standards for the best community outcomes and enable coordination of community benefits.
2.	Tasmania should adopt best practices in terms of biodiversity protection.
3.	The Government should consider aligning community benefit programs with existing social policies, such as those identified in Council strategic plans.
4.	RE-Alliance supports the need for a review of the Environmental Management and Pollution Control Act 1994 to determine whether projects such as large scale solar farms, transmission lines, pumped hydro and hydrogen should be listed as activities requiring EPA Tasmania assessment.

5.	RE-Alliance supports the establishment of a coordinator role. The role's mandate should be clearly specified.
6.	REZ planning should prioritise social licence by stipulating best practice community engagement and delivering effective benefit sharing mechanisms.
7.	RE-Alliance would support further investigation by jurisdictions on how benefit sharing programs for transmission projects can be managed given the current focus on economic efficiency within the Regulatory Investment Test for Transmission (RIT-T) based on the NEO.
8.	RE-Alliance recommends that the Government provides legal and technical support for the coordinated community benefit fund in each REZ.
9.	RE-Alliance recommends that the Government provide legal and technical support for renewable community co-ownership, co-investment and community ownership.
10.	RE-Alliance recommends that the Government provide support for a collaborative approach between scheme providers by creating a social licence working group in Government tasked with investigating opportunities in planning, construction, and operational phases.
11.	RE-Alliance recommends that Traditional Owners are recognised as key stakeholders to be consulted during the development and benefit sharing process.
12.	RE-Alliance recommends that the Tasmanian Government draws on the experience and resources created by other jurisdictions to create a Community Engagement and Benefit Sharing Guide outlining best practice for the Tasmanian context, referring to other relevant frameworks as necessary.
13.	RE-Alliance recommends that the Tasmanian Government establish the role of community educator to help communicate and articulate why the REZ is important for social, environmental and economic reasons. This function could be incorporated in the Renewable Energy Coordinator role.

# Objective 1 Achieve Tasmanian Renewable Energy Target

## 1.1 Orderly sequencing of new renewable energy development

### **1.1.1 Analysis of implementation or coordination mechanisms, such as reverse auctions, to support the least cost and optimal delivery of the Tasmanian Renewable Energy Target.**

#### **Reverse Auction**

Reverse auctions have proved successful in the Australian Capital Territory, Victoria and Queensland to drive the development of new renewable energy projects to meet state- and territory-based renewable energy targets (RETs) beyond the federal RET. There are, however, two key contextual differences between these examples and Tasmania's 200% target.

The first is that these auctions largely acted to overcome the cost differential between the emerging clean energy technologies of solar and wind and their established competitors. By providing greater certainty around financial returns, the auctions lowered the cost of capital, allowing new projects to provide lower bid prices and ultimately reducing the cost of power for consumers in those states. The cost differential now works in the other direction, with solar and wind clearly cheaper than their competitors. In this sense, while financial certainty can still keep costs down, it is no longer necessary to drive new development. The increased incidence of corporate Power Purchase Agreements also suggests there is a healthy market for new wind and solar plants, unsupported by auction schemes.

The second is that the TRET is the country's first RET that seeks to drive projects for export - either in the form of electricity exports via interconnectors, or in 'stored' forms such as hydrogen or ammonia. As such it needs to be responsive to the changing landscape of the National Electricity Market. For instance, it will make little sense to incentivise new generation projects until Marinus Link is confirmed and the physical ability to export that generation is in place but as opportunities arise it would need to be flexible enough to respond quickly. An auction process may not be required to supply power for a new privately-owned load source, such as a hydrogen production plant. In this case, the most efficient process would simply be for the power purchaser to seek out the best supplier and effectively underwrite new generation that way. Government's role could be to facilitate better coordination of

renewable projects across the state, or to incentivise private investment if that is required to meet the timeframe stipulated in the plan. Any government incentives should be transparently reported.

We see the primary value of an auction process for Tasmania as its ability to coordinate development geographically and over time, set standards for the best community outcomes and enable coordination of community benefits.

For instance, reverse auction processes in the [Australian Capital Territory and Victoria](#) weighted community engagement and shared benefits in their evaluation criteria as 20% and 15% respectively. This saw successful projects deliver innovative and valuable outcomes for local communities including job creation, procurement of local content and manufacturing. We have written about VRET's success in driving community outcomes [here](#).

### **Recommendations**

1. An auction process for Tasmania could be valuable to coordinate development geographically and over time, set standards for the best community outcomes and enable coordination of community benefits.

## **1.2 Collaboration and strategic decision making**

**1.2.1 Alignment of energy and land use, environmental and social policies and strategies (e.g. Tasmanian Planning Policies) to enable appropriate development in pursuit of renewable policy objectives.**

**1.2.2 A review of the *Environmental Management and Pollution Control Act 1994* to identify options to improve the process for determining whether Environment Protection Authority (EPA) assessment is required for major renewable energy projects.**

**1.2.3 Guidelines for renewable development on areas of Crown land.**

### **Environment**

Environmental protection for the state's biodiversity should continue to be a key aim. Proper siting of new generators and appropriate use of technology should seek to mitigate risk from new renewable projects for endangered species such as the Tasmanian Wedge-tailed Eagle and other raptors. RE-Alliance has previously [highlighted](#) the importance of innovative technology to reduce impacts on the Tasmanian Wedge-tailed Eagle such as the Identiflight and encourage guidelines that embrace evidence based mitigation measures.

## Social Policies

Given the extent of new development slated for rural and regional Tasmania, we see a strong opportunity for significant community benefits. These benefits could be made more strategic by aligning them with existing policies that identify social needs in these regions, such as Council Strategic Plans.

## Planning

Processes in mainland states allow a clear role for state Planning Departments and Ministers to respectively assess and approve major energy generation projects. We note in Tasmania that notwithstanding the Environment Protection Authority's (EPA's) role in assessing environmental impacts, local Councils may retain the responsibility for assessment and approval. While some degree of local autonomy is welcome, our observation is that Councils with limited resources often struggle to manage the challenges of assessing projects of such scale and that these requirements are best met by the better-resourced state departments.

RE-Alliance would support a review of the *Environmental Management and Pollution Control Act 1994* to determine whether projects such as large scale solar farms, transmission lines, pumped hydro and hydrogen should be listed as activities requiring EPA Tasmania assessment.

### Recommendations

2. Tasmania should adopt best practices in terms of biodiversity protection.
3. The Government should consider aligning community benefit programs with existing social policies, such as those identified in Council strategic plans.
4. RE-Alliance supports the need for a review of the Environmental Management and Pollution Control Act 1994 to determine whether projects such as large scale solar farms, transmission lines, pumped hydro and hydrogen should be listed as activities requiring EPA Tasmania assessment.

## 1.3 Efficient processes and procedures for major renewable energy projects

### 1.3.1 A coordinator as a central contact for all levels of Government, industry and the community on major renewable energy projects.

We see significant value for a state coordinator who could bring industry together with the various arms of government involved in development of new renewable energy projects to increase efficiency of development.

The coordinator could act as a primary point of contact and source of information for the community but the parameters of the coordinator's role should be clear. For

clarity, community engagement with the planning process should continue through existing channels. The coordinator's role in this instance would be to help community members understand and navigate these processes. Similarly, the coordinator could identify and refer members of the public to complaint resolution mechanisms in place for operating projects. Should it be necessary, the coordinator could refer complaints to the National Wind Farm Commissioner who already performs complaint management functions for wind, solar, storage and transmission projects nationally.

### **Recommendations**

5. RE-Alliance supports the establishment of a coordinator role. The role's mandate should be clearly specified.

## Objective 2 Development of REZ's

### **2.1 Integrated delivery of future renewable energy generation and transmission systems**

#### **2.1.1 Mapping of priority areas within Tasmania's Renewable Energy Zones for growth required to achieve Tasmanian Renewable Energy Target.**

#### **2.1.2 Early community engagement on Renewable Energy Zone planning (in addition to consultation processes).**

RE-Alliance supports the identification of REZ areas that are best suited to renewable energy development. As we have previously argued, in our response to the Energy Security Board's [draft rule change on Renewable Energy Zone Planning](#), community issues need to be identified much earlier in the REZ design process than currently occurs. Assessment of community aspirations in REZ areas and initial discussions with communities about what benefits they want to see from REZ development should be an important first step in REZ planning.

This principle should also extend to the need for and location of new transmission lines. While augmented transmission is critical for REZ development it also presents significant challenges for social licence. While it is new ground for transmission companies, we support the application of benefit sharing programs for transmission projects, which was earlier articulated by the Clean Energy Council's 2019 [A Guide to Benefit Sharing Options For Renewable Energy Projects](#):

*"Transmission and distribution infrastructure is a key component of many renewable developments. A common feature of this part of the project is that landowners hosting powerlines receive*

*payments for leasing their land, providing access and easement management. Although there are not any direct benefit sharing examples around transmission infrastructure currently in Australia, there should be a consideration of how the location of new electricity lines relates to the community of benefit boundary in a benefit sharing strategy”<sup>1</sup>*

Re-Alliance would support further investigation by jurisdictions on how this can be managed given the current focus on economic efficiency within the Regulatory Investment Test for Transmission (RIT-T) based on the National Electricity Objective (NEO).

#### **Recommendations**

6. REZ planning should prioritise social licence by stipulating best practice community engagement and delivering effective benefit sharing mechanisms.
7. Re-Alliance would support further investigation by jurisdictions on how benefit sharing programs for transmission projects can be managed given the current focus on economic efficiency within the Regulatory Investment Test for Transmission (RIT-T) based on the NEO.

## Objective 3 Partner with our communities

### 3.1 Understanding what matters most to maximise benefits

#### **3.1.1 Collaborating with industry to deliver Community Benefit Schemes within Renewable Energy Zones to maximise local and regional benefits.**

Jobs are perhaps the key consideration in local communities' attitudes towards REZ development. Actions such as identifying training needs, ensuring training capacity, delivering apprenticeship programs, prioritising local employment and maximising local procurement and manufacturing will all contribute to enhanced social licence for REZs.

A strong government-led project rollout that coordinates construction timetables across projects would allow trained workforces to move between projects, extending construction jobs across years rather than months.

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<sup>1</sup> Clean Energy Council 2019, A Guide to Benefit Sharing Options for Renewable Energy Projects p. 14 available at: <https://assets.cleanenergycouncil.org.au/documents/advocacy-initiatives/community-engagement/guide-to-benefit-sharing-options-for-renewable-energy-projects.pdf>

### **3.1.2 Fostering opportunities to deliver social outcomes from renewable projects such as alliances with not-for-profits or community energy projects.**

#### **Cumulative benefits, collaboration and coordination**

Benefits from projects can accrue at different phases, during:

- planning (for example via project based funding);
- construction (for example via opportunity to build community infrastructure); and
- operation (through Community Enhancement Funds, co-investment, landholders).

Collaboration across projects, which may be facilitated by government, can reduce impacts of new transmission infrastructure for local communities. An example of this is the agreement between Dundonnell Wind Farm and the proposed Mt Fyans Wind Farm in South West Victoria. The wind farms propose sharing transmission infrastructure to connect the main transmission line, rather than simply building their own lines and increasing the impact on the affected community. Government engagement with communities at the REZ planning stage could be streamlined if details of prospective projects in the same region are available.

#### **Coordinated funding**

RE-Alliance is leading efforts in wind farm communities to develop mechanisms that coordinate the increased community funding on offer in REZs in a way that delivers strategically for local communities.

Our work in Moyne Shire in South West Victoria aims to bring together Council, project developers, operators and communities in a collaborative approach that delivers best practice community benefit sharing. Considerable strategy and consultation already goes into the design of individual projects' benefit sharing models. To this end, benefit sharing models have been evolving to include 'beyond compliance' activities such as sponsorship, neighbourhood benefits, local employment and procurement, and innovative products<sup>2</sup>. There have also been elements of co-investment, co-design and discussions around co-ownership but these have not yet been mainstreamed in Australia.<sup>3</sup> One challenge faced by funds that have run for a number of years is identifying projects across the full 25 year operational life of a wind farm after the most pressing initial projects are complete.

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<sup>2</sup> Lane and Hicks (2017) [Community Engagement and Benefit Sharing in Renewable Energy Development: A Guide for Applicants to the Victorian Renewable Energy Target Auction](#). P. 21-26 Department of Environment, Land, Water and Planning, Victorian Government, Melbourne.

<sup>3</sup> Lane, Hicks, Hall, Wood (2018) [Enhancing Positive Social Outcomes From Wind Farm Development: Evaluating Community Engagement And Benefit-sharing In Australia](#). P. 39. Clean Energy Council.

There is an emergent trend across funds to look for 'legacy' projects that are long term, meet the needs of a community and often leverage multiple pools of funding in order to be delivered. Such projects are best identified through community-led strategic planning processes, rather than smaller, "grant-round" funding typically employed by project-based community funds.

Both the opportunity and need was also identified by the National Wind Farm Commissioner (NWFC)<sup>4</sup>.

*"Some regions of Australia are experiencing increased clustering of proposed and approved wind farms which may result in multiple wind farms infiltrating and 'surrounding' communities. As a result, there is both the need and opportunity for individual project developers to communicate more effectively with each other and better coordinate engagement with the affected community. This could range from combined initiatives by wind farm developers through to coordination of construction programs in order to minimise cumulative impacts on residents and townships.*

*Developers should also be aware of other key infrastructure projects that may be taking place in a region and ensure that project schedules are planned and coordinated to minimise impacts to communities."*

Other stakeholders and jurisdictions have also identified the need for a collaborative approach to community benefit sharing. For example, the Victorian government's [Southern Gippsland Regional Renewable Energy Roadmap](#) states "Opportunities exist to pool the financial benefits from multiple projects into a central fund to contribute to strategic, long-term regional impact."

So far in Moyne, RE-Alliance has worked with industry to develop a draft charter for a coordinated fund which will work with existing project-based funds. Our next step is community consultation and refinement of the model. As part of our process to date we have considered and worked through many of the key issues around how cumulative benefits and legacy projects can be coordinated. Some of those issues include governance, stakeholders, timing, branding and potential outcomes.

A coordinated fund that operates across a number of projects must be able to demonstrate capacity to deliver planned outcomes, local knowledge, transparency and legitimacy in the eyes of the local community. Where individual project funds already exist, the combined fund must allow them to continue delivering for their local communities. It should also act as a vehicle which can facilitate cooperation to deliver larger community projects that can have economic, social, health or environmental outcomes.

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<sup>4</sup>National Wind Farm Commissioner Community Engagement webpage available at: <https://www.nwfc.gov.au/observations-and-recommendations/community-engagement>

Examples of potential outcomes outlined in the Clean Energy Council's *A Guide to Benefit Sharing Options for Renewable Energy Projects* which go beyond grants include:

- building a community solar project for a local business or developing a micro grid for a portion of the community
  - allocating the profits from a portion of the project to go into a revolving fund that can operate in perpetuity
  - creating a targeted legacy community benefit initiative for at-risk populations in the local community (this could have a medium to long- term scope to address particular social issues)
  - working with a local partner to roll out a bulk buy program for solar and heat pumps in the local area
  - tourism and education programs in the region, which could also act as additional income generation
  - electric vehicle charging station at viewing location of the generator to encourage engagement<sup>5</sup>.
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- Environmental benefits
    - There can be cumulative environmental benefits where there's a net benefit to species eg funding of habitat restoration or Landcare programs.
  - Shared branding opportunities
  - Opportunities to leverage funds from other local and regional sources

Similarly, as Australian Wind Alliance, RE-Alliance developed the *Building Stronger Communities: wind's growing role in regional Australia* report which contains useful case studies<sup>6</sup>.

RE-Alliance would be happy to discuss this work on coordinated funding further if it is of interest to the Department.

## **Local jobs**

RE-Alliance supports the evaluation criteria for local content. We support making sure contracts embed local capacity building and employment. Manufacturing is another area that can be supported through local procurement and by being connected to opportunities. Local upskilling through apprenticeships and training can be a great way to make sure there's a skill transfer to local regions.

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<sup>5</sup> Clean Energy Council 2019, *A Guide to Benefit Sharing Options for Renewable Energy Projects* p. 21 available at: <https://assets.cleanenergycouncil.org.au/documents/advocacy-initiatives/community-engagement/guide-to-benefit-sharing-options-for-renewable-energy-projects.pdf>

<sup>6</sup> [Building Stronger Communities: wind's growing role in regional Australia](#), 2nd ed, Australian Wind Alliance (2019).

## Community energy projects

Community energy projects have an important role in social licence more broadly beyond the direct benefits. We see social licence benefits through the policy mechanisms that encourage community energy projects. For example mechanisms such as a carve-out in the Reverse Auction for small and medium scale community projects could assist the development of community scale projects.

In May 2020, the Independent Federal Member for Indi, Dr Helen Haines MP, released a Discussion Paper [Unlocking community energy in Australia](#) followed by a [Local Power Plan](#). The Local Power Plan defines community energy as 'where a community develops, owns or benefits from a renewable energy project.'

On 22 February 2021 Dr Haines introduced the Australian Local Power Agency Bill 2021 to the Commonwealth Parliament. The Bill would establish the Australian Local Power Agency, (ALPA). Irrespective of whether the Australian Government supports this Bill, community energy projects are springing up across Australia.

The Clean Energy Council reports that “in Germany and Denmark, it is common for renewable energy developments to provide opportunities for community co-investment or co-ownership, where members of the local community can become shareholder/owners and/or investors in a corporate renewable energy development. Such examples may use a variety of different legal structures, agreements and finance arrangements”.<sup>7</sup>

They also note that “In Denmark, the *Renewable Energy Act (2008)* introduced an obligation to offer 20 per cent of the shares of every wind turbine taller than 25 m to local residents. In effect, this means that every wind energy project in Denmark is required to adopt a form of community co-ownership. When a project obtains development approval from the municipality, the project developer is obligated to hold a public meeting to promote the offer for the local community to buy shares. Individuals are further encouraged to own shares through tax exemptions, where the income earned from dividends are tax free for levels of shareholding that offset average electricity bills<sup>17</sup>. These initiatives have incentivised more than 150,000 households to own shares in wind farms in Denmark”.<sup>8</sup>

The Tasmanian Government may wish to consider innovative community ownership models such as these within its REZs.

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<sup>7</sup> Ibid P. 53.

<sup>8</sup> Ibid. P.53 quoting the World Wind Energy Association, (2018). Policy Paper Series: Denmark. [https://www.wwindea.org/wp-content/uploads/2018/06/Denmark\\_full.pdf](https://www.wwindea.org/wp-content/uploads/2018/06/Denmark_full.pdf)

## Traditional Owners

A relationship between the Traditional Owners and renewable energy projects is essential to the success of the Tasmanian energy transition.

A positive example of proactive engagement with local Traditional Owners that RE-Alliance is aware of is the Hornsdale Wind Farm's relationship with the Ngadjuri and Nukunu people. Trust was built through engagement conducting the Cultural Heritage Management Plans resulting in the first wind farm towers featuring Indigenous art as outlined in the Clean Energy Council's [Guide to Benefit Sharing Options for Renewable Energy Projects](#). The Chair of the Ngadjuri Nations Aboriginal Corporation Quentin Argus said:

*"Recognition towards our people and to the both groups — the Ngadjuri and Nukunu — it's been a long process but a good one," and*

*"Anything to do with renewable energy which leaves a lesser footprint on the land is good for us all, so we welcome the development".<sup>9</sup>*

### Recommendations

RE-Alliance recommends that the Government provides:

8. legal and technical support for the coordinated community benefit fund in each REZ;
9. legal and technical support for renewable community co-ownership, co-investment and community ownership;
10. support for a collaborative approach between scheme providers by creating a social licence working group in Government tasked with investigating opportunities in planning, construction, and operational phases; and

RE-Alliance recommends that:

11. Traditional Owners are recognised as key stakeholders to be consulted during the development and benefit sharing process.

### 3.2.1 Industry best practice stakeholder engagement guidelines, such as a code of conduct.

The standards for community engagement and shared benefits employed by the Victorian Government were outlined in the Department of Environment, Land,

<sup>9</sup> "World's first wind farm towers featuring Indigenous art unveiled in South Australia's mid-north" available at: <https://www.abc.net.au/news/rural/2017-02-17/sach-wind-farm-art/8248950>

Water and Planning's [Community Engagement and Benefit Sharing in Renewable Energy Development Guide](#). The Guide created an enduring benchmark for Victorian projects that has continued on beyond the VRET process. The Guide is being updated for the second VRET round. The RE-Alliance submission on this matter can be found [here](#). The Tasmanian Government may wish to create a similar guide taking account of the state's particular contexts. Such a guide should make clear its relationship to existing frameworks such the Clean Energy Council's [Best Practice Charter](#) and the International Association of Public Participation (IAP2) engagement spectrum. In regard to the IAP2 spectrum, the guide should seek to shift public participation from more traditional "involve" to "collaborate" or ideally "empower".

**Recommendations:**

12. RE-Alliance recommends that the Tasmanian Government draws on the experience and resources created by other jurisdictions to create a Community Engagement and Benefit Sharing Guide outlining best practice for the Tasmanian context, referring to other relevant frameworks as necessary.

### **3.3 Clear, compelling and authentic communication of the Government's renewable energy vision**

#### **3.3.1 A website to spearhead communication of the steps required to deliver the State's renewable energy vision.**

#### **3.3.2 Access to centralised information for investors, industry and the community about renewable energy policy and initiatives**

The role of information is critical for the success of the REZ's. There is a need to deliver information beyond static approach. The overarching goals of energy security, climate action, and sustainable development need to be articulated and reinforced. Research shows that misinformation can play a significant role in lack of social licence and that psycho-social factors can explain a perception of annoyance or lack of acceptance of renewable projects<sup>10</sup>. A trusted and reliable source of information on the full range of issues around renewable energy projects is therefore paramount. The website should aim to stay informed of current community questions and discussions and be ready to respond to community questions and

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<sup>10</sup> "Fomenting Sickness: Nocebo Priming of Residents about Expected Wind Turbine Health Harms" available at: <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4264329/> and "World's largest wind farm study finds sleep disturbances aren't related to turbine noise" available at: <https://theconversation.com/worlds-largest-wind-farm-study-finds-sleep-disturbances-arent-related-to-turbine-noise-60189>

discussions as they arise. High quality information, community engagement and education will all play a role in articulating the State's renewable energy vision.

Responsibility for these communications functions could rest with the Renewable Energy Coordinator referenced in Section 1.3.

**Recommendations:**

13. RE-Alliance recommends that the Tasmanian Government establish the role of community educator to help communicate and articulate why the REZ is important for social, environmental and economic reasons. This function could be incorporated in the Renewable Energy Coordinator role.