



Renewable Energy Zones Planning Discussion Paper

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About Australian Wind Alliance

The Australian Wind Alliance (AWA) 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, and members of the community, including many neighbours to existing wind farms. The Wind Alliance encourages best practice community engagement and benefit sharing as keys to maximising benefits to regional Australia and lowering Australia's carbon emissions.

Key points

- We strongly support the elements of this draft Rule that introduce community consultation into the Renewable Energy Zones (REZ) Design report process. We see this as a real opportunity to maximise outcomes for regional Australian communities from renewable energy development.
- We argue, however, that consideration of community attitudes and plans for community outcomes should be elevated beyond 'consultation' to be a more central part of REZ planning with socioeconomic assessments and community benefit plans included as required components of the report.
- Proper understanding of social licence risk is vital for accurate REZ cost discovery. Where substantial risk of community opposition exists, expensive alternative routes and project modifications and/or project delays could materially impact viability of REZ component projects.
- The Jurisdictional Planning Body (JPB) needs to engage proactively to understand local communities and bring forward discussions with communities about project benefits

- This will require a change in practice from JPBs to view communities as partners in, rather than recipients of, infrastructure projects.
- We propose a new design principle that the REZ can secure broad community support across host communities.
- We further propose that outputs of the JPB's preparatory activities, include a community assessment, including proposed community benefits.
- One criteria for the success of this draft Rule should be the extent to which it streamlines and accelerates REZ development. The additional consultation and community assessment we propose should lead to less roadblocks and we hope this extra level of rigour will be recognised in the RIT-T.

Questions

Question 1 - If implemented, should the REZ planning arrangements outlined in Chapter 3 be a permanent feature of the regulatory framework or only apply on an interim basis?

Community consultation should become a permanent feature of the framework, noting that the exact detail of the consultation should not be stipulated in the rule and could therefore adapt in response to lessons learned from the first consultation processes to occur under the rule.

Question 2 - Should the REZ planning framework promote a staged approach to REZ development?

Yes.

Question 3 - Should the Jurisdictional Planning Body (JPB) be responsible for designing REZs?

While it makes sense for the community aspects of REZ design to occur at this stage of the process, we would note that early results of JPB design have not been uniformly successful. We hope that the inclusion of community 'consultation' at REZ design stage can improve the outcomes. The difficulties encountered by the Western Victorian Transmission Network Project (WVTNP) as it has progressed to the community consultation phase are instructive.

It is notable that while AEMO, as the JPB in Victoria, engaged with local Councils on the proposed route for what became the WVTNP, these same councils are now vocal opponents to many aspects of the project. Without knowledge of the process it is impossible to know whether there were shortcomings in this engagement but if the goal was to uncover and highlight community concerns, clearly this was a missed opportunity. Either consultation was not adequate to detect the level of Council and community opposition that has ultimately been aroused or the opposition was anticipated but it wasn't given proper weight in preliminary route selection. It is also notable that AusNet, the Victorian TNSP who ultimately won the tender to build WVTNP, proposed a different route in submissions to the ISP which was passed over by the JPB in both the preparation of the ISP and RIT-T.

Clearly, an additional community consultation role will require JPBs to expand their staff and resourcing of these aspects of their business, including in areas of community development, which may not have been present until now.

We support the role of state governments to "provide a clear framework for government input to the REZ design report" by entering into an MOU with the JPB.

Question 4 - Should the ISP be the vehicle for triggering a REZ design report?

REZ development should be able to be triggered by a range of impetus, including decisions by state or federal governments, interest from proponents, or even from communities. If the ISP is not able to respond to these impetus, it may be feasible to allow other triggers for a REZ design report, with appropriate cost recovery.

Question 5 - Are the proposed criteria for selecting REZs for planned development appropriate? Are there other criteria that should be taken into account?

Yes.

No.

Question 6 - Do the REZ design principles require amendments or additions?

We propose a new principle be added, as follows:

“The REZ design report must set out a plan for the development of the REZ that:”

Can secure broad community support across host communities.

The ISP is properly concerned with the “efficient development of the power system” but at this stage does little to address the social licence implications of the significant amounts of large scale electricity infrastructure that will be built in regional and rural communities through REZs. Addressing the need to build and maintain a social licence in these communities is critical to the success of the REZ concept. This draft Rule is a welcome step in that direction.

In preparing a REZ design report, a JPB shouldn't be expected to achieve community support - this can only be secured once a concrete project plan, or group of plans, is available for community consideration - but it should be expected to identify any roadblocks to social licence and estimate any costs associated with overcoming them.

To ascertain whether broad community support can be achieved, the JPB must seek to understand in considerable depth the communities it proposes to build in. Initial consultation should investigate local communities' relationship to place, attitudes to power infrastructure, employment and socioeconomic situation as well as community aspirations and the extent to which they suit the aspirations of REZ proponents. These findings would inform estimates around the risk of community opposition that could result in project delays, contested planning processes and/or additional and costly project requirements such as undergrounding of transmission lines. This could potentially lead to the modification of the REZ footprint or transmission corridor at an early enough stage to avoid adverse community outcomes that may hinder REZ development.

It should be noted that early engagement of this nature must be carefully handled to avoid a blanket “not in my backyard” response that could stymie future development. This will be challenging as the JPB will be consulting without detailed information about what the REZ

will be made up of or where the footprint will lie. Including discussions around community benefits at this preliminary stage could be beneficial here.

Question 7 - Do the REZ design parameters require amendments or additions?

If ability to achieve community support is considered as an overarching principle, the proposed REZ design parameters would be adequate.

Question 8 - Is the proposed content of the REZ design report appropriate?

We propose adding another output, item iii, for the JPB's preparatory activities.

I.e. (p14)

- (a) The outputs of the JPB's preparatory activities, including:
- (i) proposed engineering design
 - (ii) proposed route
 - (iii) community assessment, including proposed community benefits**
 - (iv) initial cost estimate

The initial cost estimation would then incorporate any costs and cost risks associated with adapting the REZ design to community expectations.

“The ESB's initial view is that the draft Rules should not prescribe the precise nature of the consultation process given the diversity of potential REZ projects, and the fact that the broader transmission planning framework already includes extensive consultation requirements. However, meaningful engagement during the early stages of REZ design is likely to facilitate and streamline the later stages of the project.”

(p12)

We strongly agree with the statement that “meaningful engagement during the early stages of REZ design is likely to facilitate and streamline the later stages of the project”. Understanding and developing trusted relationships with the communities who will host REZ infrastructure for many decades is essential for the success of REZ projects. The primary value of requiring this work at REZ planning stage is to make community aspirations and concerns a front of mind issue for the JPB.

The JPB needs to answer the question of what value the REZ will bring to the community with the same attention it brings to the question of what value the REZ will bring to the grid.

While the draft Rule “should not prescribe the precise nature of the consultation process”, the REZ design report will be more robust if social licence issues are properly accounted for. This requires evidence around the following community aspects:

- socioeconomic study of host communities
- host communities' relationship to place and attitudes to power infrastructure,
- proposed plan for community benefits covering the following topics:
 - Local jobs and employment the project can provide

- Lease and acquisition arrangements for impacted landholders
- Community funds and programs, potentially around a developed standard level of project community contributions
- Other options for initial discussion such as community ownership

We appreciate this is a departure from existing practice that sees technical planning as the primary consideration with social licence as a secondary matter, to be resolved further along the process. When the scope of the ISP's infrastructure rollout through rural and regional communities is considered, this approach carries significant risk that, if not properly handled, community opposition will delay and potentially halt many otherwise valuable projects. Constructive and respectful relationships with local communities and a preparedness to answer the question "what's in it for us?" should be hallmarks of all community engagement around the REZs, beginning with the JPB's initial REZ design and continuing through to individual proponent projects. Leaving this work to commence only once the basic framework is in place carries significant risk. This draft Rule is an excellent opportunity for AEMO to get in front of this issue, place community aspirations and concerns at the centre of REZ planning and properly account for the social licence risk to proposed REZs.

Question 9 - Is the proposed process for preparing a REZ design report appropriate?

Yes

Question 10 - Do the draft Rules effectively integrate both local and system-wide considerations?

The discussion paper suggests that JPBs bring "specialist knowledge in relation to on the ground community conditions" (p14). With no disrespect to the JPBs, the level of knowledge and experience with local communities we envisage in our answers to Questions 6 & 8 exceeds JPBs' existing capabilities and practice. While we support the respective roles outlined for AEMO to work together with JPBs, we note that a change in mindset will be required across all JPBs to see themselves not just as builders of infrastructure in communities but as genuine partners with communities. Significant additional resourcing will be required to conduct the in-depth level of engagement we envisage for effective REZ design reports, the cost of which will be well and truly recouped in the choice of more palatable infrastructure outcomes for communities and more expeditious project timelines.

Question 11 - Do the proposed funding arrangements support the delivery of the REZ planning framework?

Yes.

Question 12 - What, if any, transitional arrangements are required to give effect to the REZ planning framework?

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