

2nd March 2021



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Re: Submission on Draft RENEWABLE ENERGY COORDINATION FRAMEWORK

Summary.

The Coordination Framework is a perfect opportunity to get proper processes in play for renewable energy projects that are in the right place, encourage viable investment, do not add to the public debt/liability, and gain a social licence. Change is needed to the Draft Framework. Unless changed, some outcomes of the Draft Framework document will include a failure to implement what Tasmanians want; a failure to protect the Tasmanian Brand; a mismatch with what is happening interstate; exacerbation of public debt and liabilities, and unnecessary community conflict. ‘Battery of the Nation’ needs to be properly explained such as up to 100 new wind farms will be built in the Tasmanian landscape.

The fluid nature of the drivers of the Framework must be built into the process and married with AEMO processes. Market opportunities for Tasmanian generated power will be reviewed every two years by AEMO with the next update to occur in 2022. A ‘tidal wave’ of renewable energy projects is coming on stream on the Mainland. This will make ‘Battery of the Nation’ either obsolete or at best, vastly smaller. A recent analysis indicates 28GW of grid projects will be installed by 2025. South Australia has announced a 500% renewable energy goal by 2050. Changes like these will alter the amount of Tasmanian renewable energy required by the Mainland and the projects to be built in Tasmania. Business, market, financial, and new and cheaper technology forces are at play on the Mainland and in Tasmania, as well as social forces and cannot be ignored in a Framework road map.

A staged approach to Marinus by AEMO is occurring and needs to be reflected in the Framework. The AEMO will review the value, need and rules for Marinus 2 as part of the 2022 Integrated System Plan (Roadmap) review. The Framework should also include various Marinus implications in the document - such as no Marinus; and priority under a Marinus 1 only scenario. Thus the Framework also needs to include an additional ‘Objective’ – Update Tasmania’s Renewable Energy strategy for changes in AEMO’s Integrated System Plan (including battery and renewable initiatives on the Mainland and Marinus decisions).

Strategies to achieve a social licence are also required. Proper community consultation is missing from the Framework and is not at the heart of the document as claimed. Identification of No Turbine Zones needs to be recognised as a fundamental basis for Renewable Energy Zones. Partnering with the community is far greater than working out where industry ‘community funds’ go and having a website as presented in the Draft. Specific recommendations on background information, the Objectives and the Implementation Plan Strategies are made in this submission.

NTAG comments on the Draft Coordination Framework ('Draft Framework') are outlined below.

No Turbine Action Group Central Highlands (NTAG) is a recently formed community group opposing the proposed St Patricks Plains Wind Farm (SPPWF) because it is in the **wrong location**, with 240m high turbines next to portal roads to the Central Highlands; in a unique area of high landscape values as well as being a biodiversity hotspot with over 20 nationally threatened or endangered species. Epuron is a Sydney based company who do the paperwork for wind farm approval and then on-sell the project based on the number of turbines (MW). Our comments on the Draft Framework are based on first-hand experience of SPPWF and Epuron. NTAG supports renewable energy projects in the right location for the good of Tasmania and are happy to work with the Government and Renewable Tasmania to achieve this. NTAG has sought a planning process that identifies no turbine zones in Tasmania and the Framework is capable of delivering this for Tasmania.

GENERAL COMMENTS ON THE DRAFT FRAMEWORK

NTAG believe a Coordination Framework needs to ensure renewable energy developments occur in the right location so a social licence can occur. The current Draft does not achieve this.

Changes are needed. The Draft Framework document is currently a blatant industry focussed implementation plan that emphasises community consultation in the rhetoric but not in substance. It is not a Framework that will deliver holistic community and industry outcomes for the National Electricity Market (NEM). It avoids the fluid nature of the NEM, the Australian Market Energy Operator (AEMO) intentions, and the reality of the Tasmanian renewable energy environment.

Unless changed, some outcomes of the Draft Framework document will include a failure to implement what Tasmanians want; a failure to protect the Tasmanian Brand; a mismatch with what is happening interstate; and exacerbation of public debt and liabilities.

The Draft Framework has shortcomings in regard to the Tasmanian Renewable Energy Target (TRET), Renewable energy Zone considerations, and about Partnering with the Community.

SPECIFIC COMMENTS AND RECOMMENDATIONS ON THE DRAFT FRAMEWORK

1. Battery of the Nation needs to be accurately explained in the document, so the Tasmanian community and Framework Coordination requirements are better understood; viz:

Tasmania is a small player in the NEM, with Marinus only being about the capacity of new large batteries, but at a higher cost.

The 200% RE target is the Government's hard target. In reality, it will change because of what happens on the Mainland. **Community consultation on whether Tasmania want a 200% target to supply power to the Mainland should be the starting point for the Framework.**

'Battery of the Nation' has little community support. Concerns exist about a waste of taxpayer dollars, producing power Tasmania does not need, when the Mainland is fixing its own problem, Tasmania will wear the scars, with few new long-term Tasmanian jobs created despite massive expenditure.

A social licence is needed for investments in renewable energy projects.

The 'Battery of the Nation' needs to be clearly spelt out as no-one knows what it means. A Framework Co-ordination process cannot work properly on an intangible and unquantified concept.

- Pumped Hydro will see about 50% increase in current generation, construction of 3-6 new holding dams, higher dam walls and storage and fluctuating dam and river levels.
- Up to 100 new wind farms in Tasmania may occur under the 200% 'Battery of the Nation' target.
- A 1000MW Hydrogen project at Bell Bay could involve 4000 million litres of fresh water used each year to produce 140,000 t of hydrogen or about 7 ship loads per year for Korea or Japan.
- Information about claims of thousands of new Tasmanian jobs under the Battery of Nation has not been made publicly available for verification.

2. Key drivers for the Framework are missing because foundational information is missing.

The fluid nature of the drivers of the Draft Framework must be built into the document. The Tasmanian 200% RE target was derived from prediction of NEM requirements by AEMO as renewable energy replaces some coal-fired generation. Market opportunities for Tasmanian generated power will be reviewed every two years by AEMO. The next update to occur in 2022.

However, a 'tidal wave' of renewable energy projects is coming on stream on the Mainland. It will make "Battery of the Nation" either obsolete or at best, vastly smaller. The 'wave' includes distributed electrical resources such as roof top solar, variable renewable energy such as wind, and dispatchable resources such as new battery storage. The AEMO Roadmap is for 26GW of grid-scale renewables to be installed by 2040. However, a recent analysis indicates 28GW will be installed by 2025.¹ South Australia has announced a 500% renewable energy goal by 2050. Changes like these will alter the quantity of Tasmanian renewable energy required by the Mainland and the projects to be built in Tasmania.

There is business, market, financial, and new/cheaper technology forces at play on the Mainland and in Tasmania, as well as social forces that cannot be ignored in a framework road map. Public debt will be a casualty, unviable wind farms going 'belly-up', and unnecessary community conflict will result from an inflexible approach to the Framework. There is an opportunity for the Government to give the community the assurance it will get the right balance through a proper Framework. This assurance is missing from the Draft.

The inflexible position adopted in the Draft Framework needs to be changed to include regular reviews of Mainland, market, technological and social happenings.

3. The role of Marinus in the Draft Framework needs to be revisited, correctly explained, and properly considered (and not assumed).

According to AEMO, every effort is to be made to minimise consumer-borne transmission costs by considering alternative developments such as batteries on the Mainland. The recently

¹ Edis T (Green Energy Market) & Bowyer J (Institute for Energy Economics & Financial Analysis). Feb 2021 Analysis of Likely 2025 Generation Mix. From Tidal Wave of new wind and solar will fire early coal plant closures." RenewEconomy. 24th Feb 2021.

announced plan for the world largest battery in NSW of about 1200MW and about one third (1/3) the cost of Marinus is a case in point.

Furthermore, the AEMO flags resolution of 'cost recovery' (not taxpayer subsidy) as being fundamental to Marinus proceeding. **Funding for Marinus has not been resolved and should be a key driver for any implementation Framework.** This is ignored in the document.

A staged approach to Marinus by AEMO is occurring and needs to be reflected in the Draft Framework. The AEMO will review the value, need and rules for Marinus 2 as part of the 2022 Integrated System Plan (Roadmap) review. **The Draft Framework should include various Marinus implications in the document** - such as no Marinus; and priority for Hydro Tasmania dam improvements and West Coast located wind farms under a Marinus 1 only scenario.

The framework adopted by AEMO for an optimum development path has "decision rules that allow for adaptation if circumstances change" and this also should be part of the Framework. If it is good enough for AEMO's Roadmap (read coordination plan) then it should be good enough for the Tasmanian Framework Coordination Plan.

Thus the Draft Framework also needs to include an additional 'Objective' – Update Tasmania's Renewable Energy strategy for changes in AEMO's Integrated System Plan (including battery and renewable initiatives on the Mainland and Marinus decisions).

4. Comments on Objective 1: Achieving Tasmania's RE Target

Delivery mechanisms such as propping up unviable projects by instructing Hydro and Aurora to enter into 'onerous' off-take agreements should be specifically excluded in the Strategic Implementation Plan. The taxpayer already has about \$300M in liability from the likes of Granville and Cattle Hill Wind Farms.

Delivery mechanisms should state no taxpayer subsidy will occur, with investment and risk taking to be entirely by private enterprise and not the public purse.

The clear intention in the Framework to change Planning Schemes, EPA approval mechanisms and Major Projects so as to guarantee renewable energy developments should not be adopted as a strategy because a social licence and proper community consultation will be by-passed.

There is a need to include public consultation to achieve a social licence as a strategic action. This will show the Government/Renewable Tasmania is serious about meaningful community consultation.

5. Comments on Objective 2: Establishing Tasmania's Renewable Energy Zones (REZ).

REZ were devised by AEMO based on Industry needs and did not consider social, environment, landscape and community needs. It was about matching generators with an available transmission network. The Framework should specify AEMO 'desktop' assessments will be made appropriate for Tasmania by recognising REZs will be redone for industry, environment, landscape and community values.

The Draft Framework needs to specify that mapping of Turbine Free Areas will be identified in REZs.

Early and ongoing engagement with the community to develop a social licence is required so financial institutions are willing to invest.

A clear statement about each REZ is required so no surprises occur:

- up to 13 wind farms about the size of Granville Harbour are planned in the NE (1400MW)
- up to 50 wind farms about the size of Granville Harbour are planned in the NW (5500MW)
- up to 31 wind farms about the size of Granville Harbour are planned in Midlands/Central Highlands (3400MW)
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6. Comments on Objective 3: Partnering with our communities.

This is a very weak and insipid part of the Framework and does not do justice to claims in the Introduction that the “heart of this Framework is communities and fostering partnerships”. Understanding what matters most (Goal 3.1) is far more than delivering Industry funded Community Benefits and local energy projects (3.1.1 and 3.1.2) and having a website (3.3.1)!

Epuron has a history of avoiding partnering and proper consultation by using the Clean Energy Council Best Practice Charter (which doesn't work) and has only met with NTAG after intervention by Minister Barnett. Epuron interest is about ticking boxes on 'consultation' by holding Information Sessions but it fails to act on community concerns that matter most. The last Miena public meeting saw overwhelming opposition to St Patricks Plains Wind Farm from 90% of about 100 people present.

The Framework must specify:

- Full and genuine consultation, conduct, availability of data to the community, and independent analysis.
- “Building of a social licence before proceeding” (as recognised by Victoria’s Energy Minister for network projects).
- Industry to establish and fund Community Consultative Committees for each project.
- Establishing a Tasmanian Wind Farm Commissioner to bridge Industry-Community divides and funded by a Tasmanian Industry levy.
- Adopt Best Practice Consultative processes such as those adopted in other States; and
- Protection of Tasmanians Brand for local businesses and community.

Please contact me if any clarification of the above is required.

Yours sincerely

David Ridley

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Chair NTAG

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2st March 2021