

3 March 2021

Mr Kim Evans
Secretary
Department of State Growth
Via email: renewableenergy@stategrowth.tas.gov.au


Dear Mr Evans

Draft Renewable Energy Coordination Framework

TasNetworks welcomes the opportunity to respond to the Renewables Tasmania Draft Renewable Energy Coordination Framework (**the Framework**).

TasNetworks is committed to delivering safe, secure and reliable electricity network services to Tasmanian and broader National Electricity Market (**NEM**) customers at the lowest sustainable prices. TasNetworks therefore supports the development of an overarching framework to coordinate the development of renewable energy in Tasmania as an efficient way to facilitate the energy transition at the lowest cost to consumers.

TasNetworks looks forward to collaborating with Renewables Tasmania in the development of Tasmania's renewable resources, both through the core network planning function and more broadly. As recognised in the Framework, TasNetworks' most recent Annual Planning Report outlines development plans within Tasmania's Renewable Energy Zones (**REZs**). As planning for the REZs develops TasNetworks is working to optimise the location of renewable generation within the shared network. This planning work is progressing to a higher level of granularity with respect to triggering and phasing of projects and will continue to develop in cooperation with the State.

As REZs progress from early stage planning to establishment, complexity increases and efficiencies will be realised from Government's early and clear identification of roles and responsibilities. Two such areas for increased clarity are with respect to community engagement and optimising transmission network access and planning:

- Community consultation is core to TasNetworks' normal activities and a central element of how we manage any project. In addition, the Draft REZ Rules, once finalised, will require TasNetworks, in its role as Jurisdictional Planner, to undertake significant public consultation in preparation of a REZ Design Report for potential REZs¹. In this context, TasNetworks looks forward to working with the State to

¹ National Electricity Rules, Consultation Version, August 2020, 5.22.6 (e)

coordinate activity to avoid duplication and ensure community engagement with respect to REZ developments is to the highest possible standard.

- TasNetworks recognises the importance of Government leadership to ensure the values, impacts, social implications and factors identified by communities are considered alongside the technical and economic inputs that determine the location, design and staging of development for a REZ. Further, TasNetworks agrees there should be opportunities for community input into the mechanism and schemes through which engagement would be delivered. An efficient model could be for the Government to create principles as a standard for developers to adopt, and allow businesses to create purpose-driven customer engagement models that meet the needs and preferences of the communities with whom they are working. TasNetworks sees advantages in individual organisations creating and being accountable for the community benefits mechanism that are developed in collaboration and consultation with the community and stakeholders.
- TasNetworks recommends careful consideration be given to the roles and responsibilities of the State Government and state-owned businesses such as TasNetworks, especially regarding optimising transmission network access and planning. TasNetworks has engineering expertise and will continue to work with the State and other stakeholders to identify the technical requirements for successful connection of new renewable energy projects to the network. In some cases, this may mean technical connection and operating standards that are higher than the minimum, or the need for new standards altogether may be required to fully realise Tasmania's renewable energy potential and also ensure a secure and reliable power system.

Tasmania's Renewable Energy Vision² has been established holistically which puts the Government in a good position to consider preferred outcomes for customers stemming from the potential shifting of generation and load under the existing or expanded Tasmanian transmission network. The Government can play an important role in working with a range of parties to find synergies and areas where collaboration is appropriate. This coordination role will greatly assist TasNetworks in its planning role as effort can be concentrated on developments where the interests of all stakeholders can be considered together. One aspect of TasNetworks' role in the technical aspects of planning is to consider system security and reliability issues. For example, system security and inertia provision already require significant management, evidenced by the Australian Energy Market Operator's (AEMO) declarations of shortfalls. This will be an ongoing and integral consideration that needs to be aligned with the sequencing challenges of long lead-time additional large-scale transmission developments to support new generation or load.

Another example of the value of coordination is the interactions of hydrogen in the power system including where to locate and use hydrogen electrolysers to maximise system efficiency, and understanding the impact on the development of generation and transmission. The Tasmanian Renewable Hydrogen Action Plan is exploring opportunities for export of renewable hydrogen from identified sites, including the Bell Bay Advanced Manufacturing

² Incorporating the Tasmanian Renewable Energy Action Plan, Renewable Energy Target and Renewable Hydrogen Action Plan.

Zone and in the North West coast region, and the consequential augmentation impacts on the network. TasNetworks will continue to provide advice to Government of the transmission investments required to achieve the Government's renewable ambitions and resulting customer impact.

TasNetworks agrees that energy and land use, environmental and social policies and strategies must be aligned to enable appropriate development in pursuit of renewable policy objectives. In particular, TasNetworks sees the Framework as a critical vehicle through which to identify efficiencies and ensure resource adequacy to support streamlining of approvals pathway. TasNetworks suggests that pathways should be determined on a case-by-case basis, particularly noting the introduction of the Major Projects Bill³ alongside several existing mechanisms that may be appropriate for assessing a 'major energy project'. Such clarity will support project proponents to proceed with confidence and understanding of the relevant environment, planning and heritage requirements.

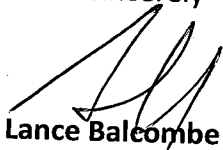
For efficiency, TasNetworks would encourage the Framework to align with existing planning instruments and related legislation, including the Tasmanian Planning Scheme. As the market changes, not all planning issues can always be anticipated in advance. As one example, we understand that the new Electricity Transmission Infrastructure Protection Code does not provide the same level of protection to new strategic corridors as it does for existing corridors. We look forward to working with Renewables Tasmania to consider the various new planning issues that are likely to emerge as renewable resources are developed.

In relation to Goal 1.2, TasNetworks recognises the value in the function that is undertaken by the Environment Protection Authority (EPA). We have seen value in the independence of the role currently undertaken by the EPA in caring for the environment and advocating for a sustainable future is part of any project. TasNetworks considers the independence of this role as vital in achieving renewable policy objectives.

Finally, the Framework will need to be sufficiently flexible to navigate a range of possible market development scenarios and major NEM-wide market developments as they emerge. As the broad principles in the draft Framework are finalised and an implementation plan developed, a principle of maintaining adaptability would be desirable given the fast pace of current market reform. TasNetworks supports the Framework as a robust platform to coordinate development of renewable resources and looks forward to working with Renewables Tasmania and other stakeholders through further development and implementation.

Should you have any questions, please contact Chantal Hopwood, Leader Regulation, via email chantal.hopwood@tasnetworks.com.au or by phone 03 6271 6511.

Yours sincerely



Lance Balcombe
Chief Executive Officer

³ Land Use Planning and Approvals Amendment (Major Projects) Bill 2020

