

11 September 2020

The Hon. Guy Barnett, MP
Minister for Energy
Department of State Growth
4 Salamanca Pl
Hobart TAS 7000

Dear Minister Barnett

Re: Response to the Draft Tasmanian Renewable Energy Action Plan

Goldwind Australia (Goldwind) is pleased to present this response to the Tasmanian Governments Draft Renewable Energy Action Plan. Goldwind has over ten years' experience of building renewable energy projects across Australia, with 562MW operating including the 144MW Cattle Hill Wind Farm in Tasmania, 960MW of wind farms currently under construction and a further 1.3 GW in the immediate development pipeline.

As an experienced renewable energy developer, Goldwind shares the vision expressed in the Tasmanian Renewable Energy Action Plan and applauds the goal of achieving a 200% renewable energy target by 2040. We consider this long-term vision will bring substantial economic, social and environmental benefits for Tasmanian. We have made several suggestions that Goldwind considers would help achieve the stated goals in an efficient and effective manner. These are detailed in our submission, which is attached as Attachment A.

We will continue to pursue opportunities for further renewable energy generation in Tasmania.



John Titchen

Managing Director, Goldwind Australia

Attachment A

Goldwind Australia Response to the Draft Renewable Energy Action Plan (Action Plan)

1. Introduction

Goldwind supports the vision for Tasmania to become a powerhouse of sustainable, low cost and reliable energy production. This will form the foundation for substantial economic opportunities within the Tasmania. This is likely to be particularly important for Tasmania in a post Covid19 environment.

With a stable policy framework, the private sector has demonstrated an appetite for long term capital investment in energy infrastructure. The expansion of renewable energy has been significant over the past decade, with even more growth expected over the next 20 years. Some recent reports by key stakeholders in the Energy Industry are worth noting in this regard.

- The Australian Energy Market Operator (AEMO) released its Integrated System Plan in July 2020. AEMO found that under the optimal development scenario, coal generation would decline by approximately two thirds over the next twenty years. This void will be almost exclusively replaced by approximately 40GW of wind and solar. Importantly a 10GW increase in dispatchable storage (including pumped hydro and battery's) will also be required to support the intermittency of the renewable generation.
- The Energy Security Board recently release its "Post 2025 Market Design Consultation Paper" which highlighted that thermal (coal) generators are becoming increasingly unreliable as they reach their end of life status, and this presents a risk of large units exiting the market earlier than forecast.

This Action Plan provides the key policy elements for Tasmania to take advantage of this rapidly changing market dynamic, and in particular the 200% renewable energy target, hydrogen program, Battery of the Nation, Renewable Energy Zones, and Marinus Link.

The Tasmania Government plan can deliver a substantial contribution of dispatchable renewable energy to the national electricity market and to the emerging international hydrogen market.

Goldwind would like to present the following suggestions that we believe would enhance the efficiency and effectiveness of the Action Plan, and most importantly attract the scale of investment being sought.

2. Policy mechanism

It is apparent that the jurisdictions in Australia that have achieved the greatest success in achieving their renewable energy targets, have done so via an appropriate policy mechanism to drive demand. At the federal level there has been the Renewable Energy Target, supported by the requirement for large energy users to acquire large scale generation certificates (LGC's) or small-scale technology certificates (STC's). The ACT has been successful in achieving its 2020 100% Renewable Energy Target via a series of reverse auctions. These auctions supported the development of two new solar and wind farms. Similarly, Victoria has developed the Victorian Renewable Auction Scheme (VRET) to achieve their 2030 target. This scheme directly resulted in a capital investment of \$1.2 Billion across the construction of six different solar and wind farms in regional Victoria.

The Draft Action Plan states one of its objectives is to "give the Australian energy sector and broader community certainty about the Government's long-term strategy for renewable energy development in Tasmania." Goldwind would recommend that this certainty can be best achieved via a Procurement Program that could be delegated to Hydro Tasmania or Aurora Energy as Tasmanian Government business enterprises.

Goldwind's Cattle Hill Wind Farm was able to secure finance with the certainty provide by the sale of the projects LGC's to Aurora Energy. Similarly, it is understood that the Power Purchase Agreement with Hydro Tasmania was instrumental in the investment decision for the Granville Harbour Wind Farm.

3. Pre 2030 Targets

The Draft Action Plan emphasises "The importance of the Tasmanian Renewable Energy Target is to provide investment confidence to new renewable energy projects". Goldwind is aligned with this view and suggests that greater investor confidence would be achieved via the adoption of more granular pre-2030 targets. Ideally this would consist of targets for at least 2024 and 2026 but perhaps even annual targets.

These targets could be linked to the Procurement Program suggested in section 2 above. In particular, this would provide for a more continual renewable energy investment. This is important to ensure the development and retention of the required industry capability. This approach is more likely to result in the use of local resources. The alternative under a "lumpier" pipeline of work is the risk of greater reliance on resources imported from other states, at the expense of local employment.

4. Implementing these changes

Goldwind that the Tasmanian Government plans to legislate the 2030 and 2040 renewable energy this year. We understand that the suggestions contained in this submission could be achieved via regulation.

5. Future investment strategy

Goldwind would like to confirm its interest in making further renewable energy projects in Tasmania in response to the Tasmanian Governments renewable energy action plan. In the immediate term projects like Low Head have great potential to contribute to further renewable energy development in Tasmania and economic activity and employment.

6. The benefits from the Renewable Energy Action Plan

Goldwind is quite proud of its record in the construction of its Cattle Hill Wind Farm, which has been able to produce considerable benefits for the Tasmanian Community. These benefits are likely to be significantly replicated under the Renewable Energy Action Plan. These benefits include:

Economic benefits

Around 150 jobs were created at Cattle Hill during the construction period on site as well as additional offsite work from Tasmanian project partners, including Hazell Bros, who performed construction of the civil and electric works for the project.

Cattle Hill has been able to demonstrate that renewable energy projects and other land users can co-exist successfully. In addition to generating new revenue streams from the turbines, the Cattle Hill project area involves two landholdings that remain for use by grazing, small forestry operations and hunting purposes. This existing use will continue with minimal interruption from the project's operation.

Community benefits

Goldwind supports the Action Plans emphasis on timely and consistent engagement with the community. Cattle Hill Wind Farm has demonstrated the benefits of building and maintaining of relationships with the local community. Over 25 local community organisations, initiatives and events have been sponsored during the project's construction period, including Highlands Bushfest, Ouse Community and Highlands Alive, Melton Mowbray Rodeo, Central Hawks Football Club and the 2019 World Fly Fishing Championships.

Environmental

In addition to the substantial emission reduction benefits from the 200% renewable energy target, Cattle Hill was Australia’s first wind farm to trial the innovative eagle monitoring and detection technology. This technology has been operating since November 2019.

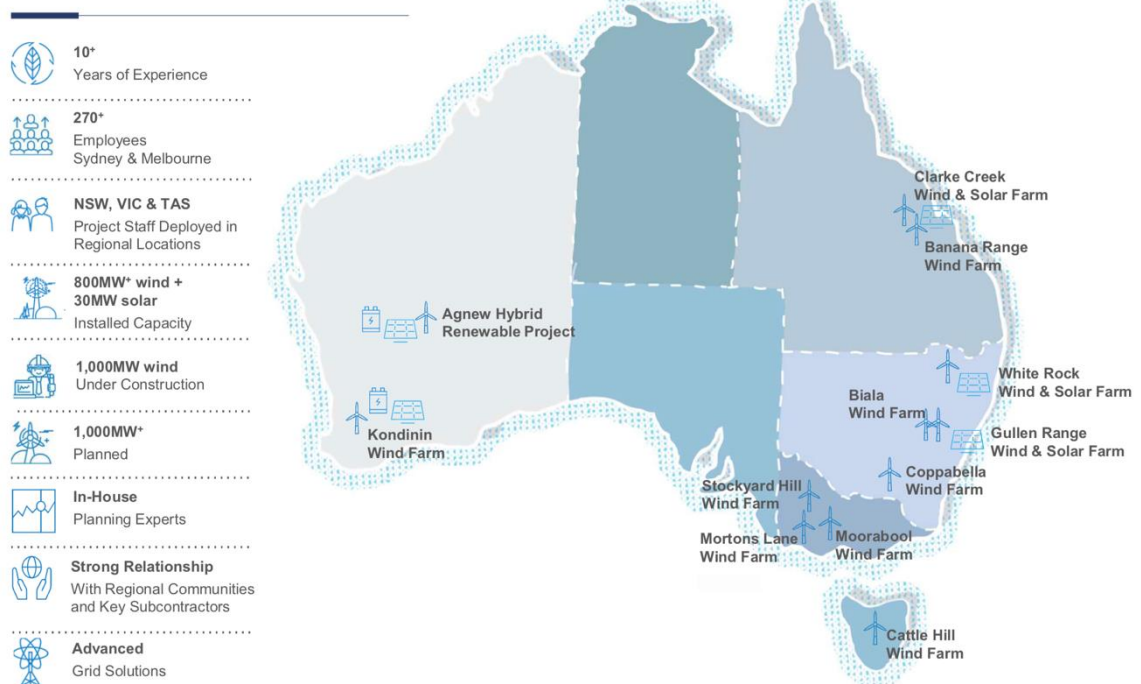
7. About Goldwind Australia

Goldwind Australia is a wholly owned subsidiary of Goldwind Science and Technology (listed on the Hong Kong and Shenzhen Stock markets) and was established in 2009 to serve the Australian and regional wind power markets. Goldwind Australia offers comprehensive wind power solutions, including investment, construction, and operational and maintenance services.

Goldwind is already experienced in renewable operations in Tasmania, with the development of the Cattle Hill Wind Farm on the eastern shore of Lake Echo in the southern side of the Central Plateau of Tasmania. Cattle Hill is operating and consists of 48 Goldwind turbines totalling 148.5 MW.

The diagram below provides an overview of our track record delivering high-quality renewable energy solutions across Australia.

Goldwind in Australia



8. Conclusion

Goldwind welcomes the opportunity to provide this submission in relation to the Tasmanian Renewable Energy Action Plan. We consider that the Action Plan sets Tasmania on a path to a strong, sustainable, and globally competitive industry.