RENEWABLES TASMANIA

DRAFT RENEWABLE ENERGY COORDINATION FRAMEWORK

Department of State Growth

Tasmanian Government

Image courtesy Hydro Tasmania

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Meeting our TRET will require harnessing Tasmania's immense renewable energy potential.

Image courtesy Hydro Tasmania

Ministerial message

Tasmania is now 100 per cent self-sufficient in renewable energy, confirming our status as a world leader in renewable energy generation. We have reached 100 per cent thanks to our nation-leading energy policies and by making Tasmania attractive for industry investment, which in turn is creating jobs across the State, particularly in regional areas.

We are now determined to build on our achievements and to lift our gaze to a new 2040 horizon. The recent enactment of our Tasmanian Renewable Energy Target (TRET) into law demonstrates our commitment to the continued growth of our renewable energy sector. The TRET is one of the most ambitious statutory renewable energy targets anywhere in the world: to double our renewable generation to 200 per cent of our current needs by 2040.

Meeting our TRET will require harnessing Tasmania's immense renewable energy potential. Tasmania's quality hydro and wind resources, together with further interconnection to the National Electricity Market (NEM), can play a significant role in helping us meet this TRET effectively and affordably.

This need for sustainable growth has never been clearer, with Australia's energy market undergoing a significant transformation from dependence on fossil fuels to predominately using renewable energy. Tasmania, as the nation's renewable energy powerhouse, is well positioned to drive this transition to a renewable energy future, which includes developing our plan for a renewable hydrogen industry.

Given the pace and extent of the NEM's transformation, there will be hurdles along the way. This is where the Tasmanian Government can make a real difference – and is determined to do so.

The challenge now facing us is to ensure the continued growth of renewable energy can, will and should be one of the defining features of our economy over coming years. Together with the community, we will seek to identify a pathway for our industry to be at the very centre of efforts, and to build a successful Tasmanian economy we all want to see.

We will look to support our renewable opportunities with clear, supportive planning policies and successful renewable energy regimes – to maximise the potential supply chain benefits that will flow from a strong and established pipeline of development, and to do so in a way that is sensitive to our communities.

This Framework represents the first steps of our journey towards achieving our next chapter of Renewables Tasmania. It reflects the need for a strategic approach to how we grow renewables and to ensure we do so in a way that considers our unique environment and the interests of Tasmanians.

We look forward to working with you on the hugely important task of defining the future of renewable energy in Tasmania, as well as the plans and mechanisms under the Framework required to get there.

Hon Guy Barnett MP
Minister for Energy

With high-grade wind resources at our disposal in Tasmania, and our firm dispatchable hydro-electric generation, we are in a unique position to drive the nation's energy transformation.

1. Introduction

Managing the future growth of our renewable energy sector requires forward thinking, planning and coordination. The development of an overarching framework seeks to direct new growth and investment to ensure we can harness our renewable energy resources in the right place, at the right time, and for the benefit of Tasmanians.

With high-grade wind resources at our disposal in Tasmania, and our firm dispatchable hydro-electric generation, we are in a unique position to drive the nation's energy transformation.

If we get the playing field right, we expect multiple benefits such as:

- Regional economic growth and job creation.
- The potential attraction of new load and industry.
- Additional renewable energy generation needed to replace coal-fired generation.
- Achievement of reliable and secure energy supply at least cost to consumers by:
    - Leveraging economies of scale for generation, storage and efficient use of both new and existing transmission.
    - Improving the national diversity of variable renewable energy through the addition of Tasmanian wind energy.
- Delivering access to high-quality wind resources in the National Electricity Market (NEM).
- Lower wholesale electricity prices in the NEM.

This document builds on the Tasmanian Renewable Energy Action Plan, which outlines our vision and suite of actions to develop renewable energy generation in Tasmania over the coming 20 years. It also provides for the delivery pathway for the Tasmanian Renewable Energy Target (TRET), that will increase the State's renewable energy output equivalent to 200 per cent of 2022 renewable electricity generation levels.

This draft Tasmanian Renewable Energy Coordination Framework, 'the Framework', focuses on how to deliver orderly, sustainable and integrated large-scale renewable energy projects needed to unlock generation capacity to achieve the TRET.

The Framework also ensures Tasmania is well placed to respond to the rapidly evolving National Electricity Market (NEM) transition, by ensuring a strategic and coordinated state approach to the delivery of our highly prospective Renewable Energy Zones.

At the heart of this Framework is communities and fostering partnerships to develop and deliver our plan for growth, as we commence on our path towards achieving our Renewables Tasmania vision.

2. Background

2.1 Consultation

The Tasmanian Renewable Energy Action Plan was placed on public consultation, and a special edition 'Youth Version' launched, which provided the opportunity for feedback via a survey. The submissions received through this consultation were supportive of the need for further coordination and planning to underpin the TRET, and support the delivery of major renewable energy projects.

The Framework has considered key areas of interest including:

- The need to ensure that large scale renewable energy developments are appropriately located, as well as subject to rigorous consultation and engagement with local communities affected by renewable energy development.
- The need for careful planning to provide the necessary transmission capacity to support the TRET.
- The potential role for mechanisms to support the TRET, such as reverse auctions, the underwriting of projects and power purchase agreements.
- Opportunity to use the Framework as a mechanism to integrate energy and land use planning better to ensure planning systems are involved in all stages of renewable energy development.
- Opportunities for Tasmania to lead the nation, not just in renewable energy production and technology, but also in best-practice planning approaches.

Renewables Tasmania

Is the Government Division responsible for fostering and maintaining relationships with numerous participants involved in the renewable energy industry in Tasmania. Renewables Tasmania will ensure consultation and engagement is inclusive and collaborative as we work together to deliver the State's renewable energy vision.

2.2 Renewable energy in Tasmania

CURRENT PROFILE

In November 2020, we celebrated a significant achievement by reaching 100 per cent self-sufficiency in renewable energy generation.

Tasmania has a natural competitive advantage in renewable energy, with its proven hydro and wind resources.

There are five wind farms located in the central, northeast and north-west regions of Tasmania. The installed wind generation capacity has substantially increased with the recent construction of Cattle Hill and Granville Harbour wind farms.

Solar generation in Tasmania comprises household rooftop solar, as there are currently no large-scale solar farms.

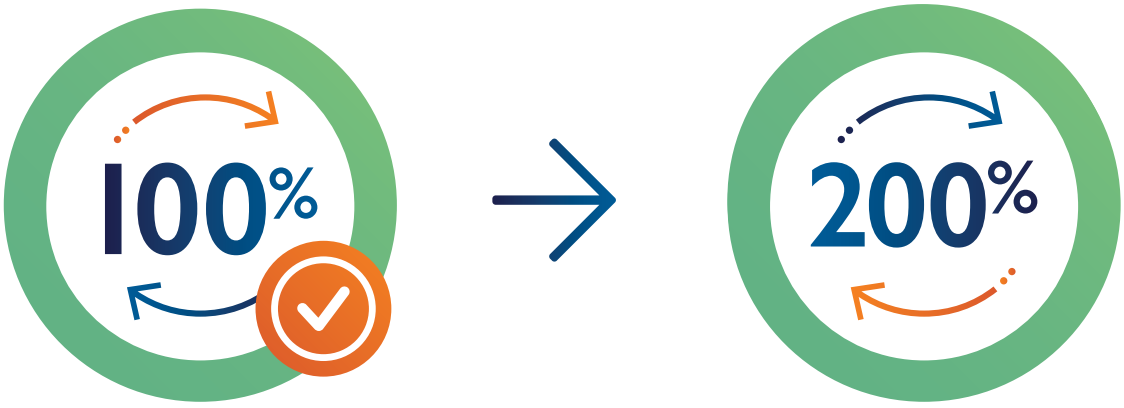
Tasmania's interconnection with the NEM is via the Basslink undersea cable, which enables Tasmanian generators to export electricity to the mainland. Tasmania's wind is a high-quality resource and represents some of the highest capacity factors (i.e. length of time the wind is consistently blowing) within the NEM.

DEVELOPMENT OPPORTUNITIES

The Australian and Tasmanian Governments are working together to pursue Marinus Link and the Battery of the Nation to boost Tasmania's energy generation further, and provide energy storage and dispatchable electricity to the NEM. This additional interconnection will help unlock considerable untapped renewable energy resources and is complemented by new large-scale energy storage capacity and a development pipeline.

The emergence of hydrogen produced from renewable energy offers Tasmania a further opportunity to capitalise on existing and expandable low-cost, reliable, renewable energy resources, and to become a world leader in large-scale renewable hydrogen production for domestic use and export.

Tasmania also has other potential renewable resources and emerging technologies, such as bioenergy, wave power and offshore wind, which continue to be investigated.



Tasmania's renewable energy profile

A snapshot of our current capacity and network that has been key to achieving our 100 per cent self-sufficiency in renewable energy generation[1].

Hydro[2]

2,287 MW
Capacity

Around 85 per cent of electricity generation in Tasmania is provided by hydroelectricity.

30
Hydro power stations

An average of 9,000 GWh[3] per annum of electricity is generated by hydroelectricity in Tasmania.

Wind[4]

572.95 MW
Capacity

An average of 1,720 GWh[5] per annum of electricity may be generated by wind in Tasmania.

5
Wind farms

In the last 12 months there has been an 86 per cent increase in installed wind generation capacity with the completion of Cattle Hill Wind Farm (153.6 MW) and Granville Harbour (111.6 MW).

Solar[6]

157 MW
Rooftop solar

There are nearly 37,000 rooftop solar customers in Tasmania who are connected to the grid.

Interconnection

500 MW[7]
Basslink capacity

As a net exporter of energy, over the last year 1,130 GWh of electricity was imported and 1,416 GWh of electricity was exported via Basslink.[8]

Transmission

3,500[9] CIRCUIT KMs
Transmission lines and underground cables

The transmission network provides for the transfer of electricity throughout Tasmania.

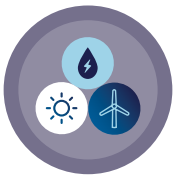
Australia's transition to renewable energy

The nation is rapidly moving away from its dependence on fossil fuels. To replace the coal-fired generation expected to retire by 2040, the AEMO ISP has set out a 20-year roadmap for the National Electricity Market's requirements for renewable energy by 2040.[10]

Coal

15 GW

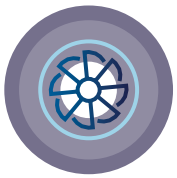
or 63% of coal-fired generators to be replaced



Variable

26-50 GW

New large-scale wind and solar



Dispatchable

6-19 GW

New pumped hydro, distributed batteries and large-scale battery energy storage systems

Tasmania's renewable energy development opportunity… we have what the nation needs

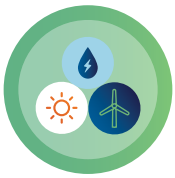
We can unlock further renewable generation and transmission to support the nation's transition to a renewables future and achieve our 200 per cent Tasmanian Renewable Energy Target by 2040.

New interconnection

1,500 MW

Marinus Link

- **750 MW** First cable
- **750 MW** Second cable



New variable

9,950 MW

Potential large-scale wind and solar development in Tasmania's three proposed Renewable Energy Zones[11]

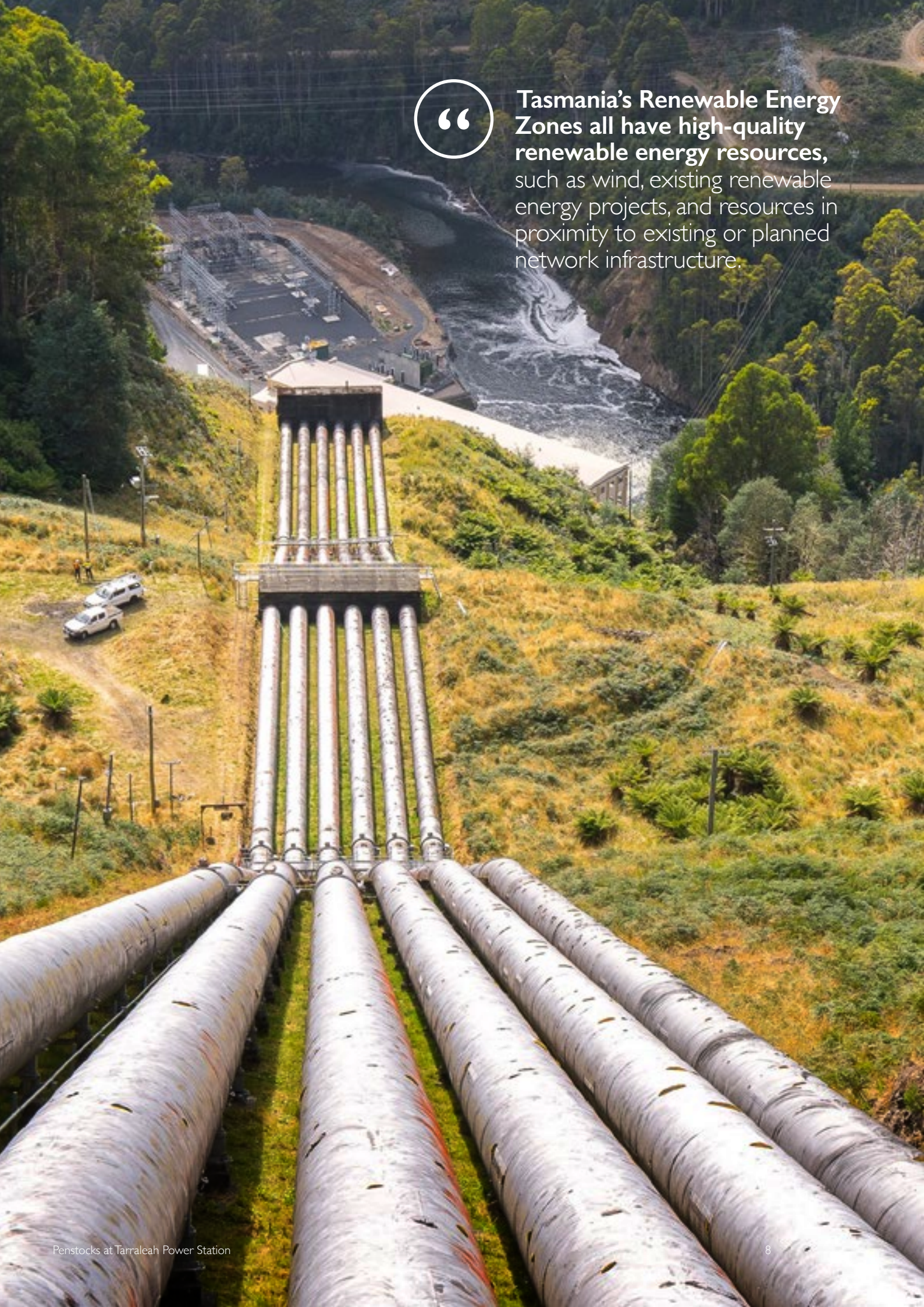
- **1,400 MW** North East
- **5,150 MW** North West
- **3,400 MW** Midlands

New storage plus increased capacity

1,400 MW

Dispatchable capacity comprising options to unlock:

- **100 MW[12]** Asset optimisation and new capacity
- **150 MW[13]** Tarraleah Power Station investment
- **400 MW[14]** Latent capacity
- **750 MW[15]** Lake Cethana pumped hydro site



Tasmania's Renewable Energy Zones all have high-quality renewable energy resources, such as wind, existing renewable energy projects, and resources in proximity to existing or planned network infrastructure.

Penstocks at Tarraleah Power Station

2.3 National Electricity Market transition

Australia's energy sector is moving through a highly complex and accelerated transition to large-scale renewable energy solutions to replace coal-fired generation.

The Australian Energy Market Operator's (AEMO) Integrated System Plan (ISP) – a 20-year roadmap for the NEM – articulates the scale of transition required.

The 2020 ISP key findings include that over 26 gigawatts (GW) of new grid-scale renewables is needed to replace the approximately 15 GW or 63 per cent of Australia's coal-fired generation by 2040. Also, that 6-19 GW of new dispatchable resources is needed, such as utility-scale pumped hydro, to firm up the inherently variable nature of distributed and large-scale renewable generation.

The ISP identifies several development paths to enable the change in the generation mix. The most cost-effective pathway being through strategically placed interconnectors and Renewable Energy Zones (REZs), coupled with energy storage.

Tasmania is in a unique position to drive the nation's energy transformation with high-grade wind resources at our disposal in all three Tasmanian REZs, firm dispatchable hydro-electric generation, and enabled by new interconnection in the form of Project Marinus.

2.4 Renewable Energy Zones

REZs are highly prospective renewable resource areas within the NEM, identified as optimal locations for the delivery of additional energy supply required to support the transition away from coal-fired generation. A REZ is important to bring together renewable generation to deliver reliable electricity, at lower total system cost.

The establishment of a REZ involves the coordinated development of the transmission network with generation and connection assets in areas of good-quality renewable resources, as well as appropriate topography, with suitable land to provide for the connection of assets.

AEMO's ISP identified 34 potential REZs across the NEM, with three in Tasmania – presented in Figure 1. The ISP identifies that Tasmania's REZs offer the potential for 9,800 megawatts (MW) of renewable capacity.

TasNetworks 2020 Annual Planning Report outlines transmission development plans for each REZ. These development plans identify the transmission required to facilitate the forecast generation developments in each REZ based on the ISP, modelled future generation builds, and actual developer interest.

The Tasmanian REZs all have high-quality renewable energy resources, such as wind, existing renewable energy projects, and resources in proximity to existing or planned network infrastructure.

Tasmania is in a unique position to drive the nation's energy transformation…

Figure 1 **Renewable Energy Zones**

Note: This map is for illustration purposes only and is based on AEMO's 2020 ISP Renewable Energy Zones image.

It is recognised that designing for the build out of REZs will have the potential to impact on communities, the environment and the economy. The Framework aims to respond to expected changes and to work closely with communities and relevant stakeholders to deliver sustainable development in the right place, in the right way, and at the right time.

The North West REZ comprises the location of Hydro Tasmania's preferred pumped hydro site – Lake Cethana, and several announced renewable energy projects. The area also offers diversification opportunities for the agricultural, forestry, manufacturing and mining and resource sectors already operational in this region.

The Midlands REZ has strong network infrastructure, one of the highest capacity factors for new wind in the NEM (>50 per cent), and quality wind resource in proximity to the existing transmission network. This REZ is important to complement Marinus Link.

The North East REZ is the location for the existing Basslink interconnector, Musselroe wind farm, and several announced wind and solar projects. It is also in proximity to Bell Bay Advanced Manufacturing area, earmarked for potential large scale hydrogen production.

National Electricity Market	A wholesale market through which generators and retailers trade electricity in Australia. It interconnects the six eastern and southern states and territories, and delivers around 80 per cent of all electricity consumption in Australia.
Integrated system plan	A roadmap for the efficient development of the National Electricity Market (NEM) over the next 20 years and, beyond that, optimises consumer benefits through a transition period of great complexity and uncertainty.
Variable Renewable Energy	A renewable energy source that varies, such as wind and solar, as opposed to a controllable renewable energy source, such as hydroelectricity, which is projected grow as the NEM transitions away from coal-fired energy over the next 20 years.

The Electricity Security Board (ESB) is progressing national arrangements to expedite the development of REZs in the NEM ahead of longer-term access reforms. Under ESB's proposed REZ regulatory model AEMO will require the responsible jurisdictional planner to develop detailed and staged development plans for identified REZs in the ISP. These REZs can then be implemented in the near term in stages under a framework of trial rules.

Independent of these national arrangements, the Victorian, New South Wales (NSW) and Queensland governments are progressing with the planning of their priority REZs, investing $540 million, over $110 million, and $149 million of funding respectively. In NSW this has included the establishment of government controlled statutory authority to lead the task.

Establishing the REZs, irrespective of whether it is undertaken through the national or a state framework, is an important but complex task taking a number of years and substantial investment.

Image courtesy Powercom

Through setting clear targets and actions, the TREAP builds on Tasmania's natural competitive advantages…

Image courtesy Granville Harbour

3. Tasmania's Renewable Energy Vision

3.1 Tasmanian Renewable Energy Action Plan

The Tasmanian Renewable Energy Action Plan (TREAP) sets out a vision and suite of actions to develop renewable energy generation in Tasmania over the coming 20 years.

A key pillar of the TREAP is the setting of a world-leading Tasmanian Renewable Energy Target (TRET), which will see Tasmania doubling its renewable electricity generation by 2040.

Through setting clear targets and actions, the TREAP builds on Tasmania's natural competitive advantages, and leverages existing and planned investments, to significantly grow the State's renewable energy sector for the benefit of all Tasmanians.

The TREAP will deliver for Tasmania in three key areas:

1. **Transforming Tasmania** into a global renewable energy powerhouse
2. **Making energy work** for the Tasmanian community
3. **Growing the economy** and providing jobs

3.2 Tasmanian Renewable Energy Target

Having already achieved 100 per cent self-sufficiency in renewable energy generation, we have now set a new world-leading Tasmanian Renewable Energy Target that will encourage investment in the State's renewable energy sector.

The TRET will increase the State's renewable energy output equivalent to 200 per cent of current renewable electricity generation levels (set at a baseline of 10,500 GWh), meaning that by 2040, Tasmania will generate twice as much renewable electricity as it is generating now.

An interim target has been set to achieve half of the TRET by 2030 (i.e. 15,750 GWh).

Achieving the scale of generation to meet the TRET will require Marinus Link to be commissioned (providing 1,500 MW of additional capacity), such that generated electricity can be exported.

Our high-grade wind resources, combined with our firm dispatchable hydroelectric generation, means Tasmania is in a unique position to drive the nation's energy renewable transformation. The advantage of Tasmania's wind offering suggests that significant build-out of new renewable electricity generation will occur in the State.

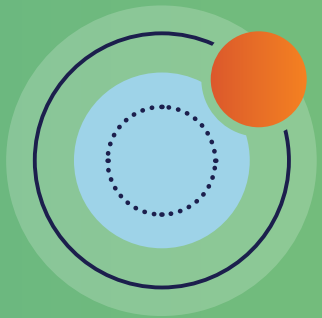
Legislation to establish the TRET was enacted in November 2020.

3.3 Tasmanian Renewable Hydrogen Action Plan

The Government's Tasmanian Renewable Hydrogen Action plan, supported by a $50 million industry development funding program, has also commenced.

This policy seeks to capitalise on existing and expandable low-cost and reliable renewable energy resources to become a world-leader in large-scale renewable hydrogen production for domestic use and export.

The Framework recognises the emergence of renewable hydrogen, as well as other bioenergy and technology advancements in the energy sector. However, separate policy and planning work provides detail on these initiatives and is available to view on the Renewables Tasmania website. There are also other initiatives in development under the TREAP towards growing our renewables, including a new load growth attraction strategy and a bioenergy vision.

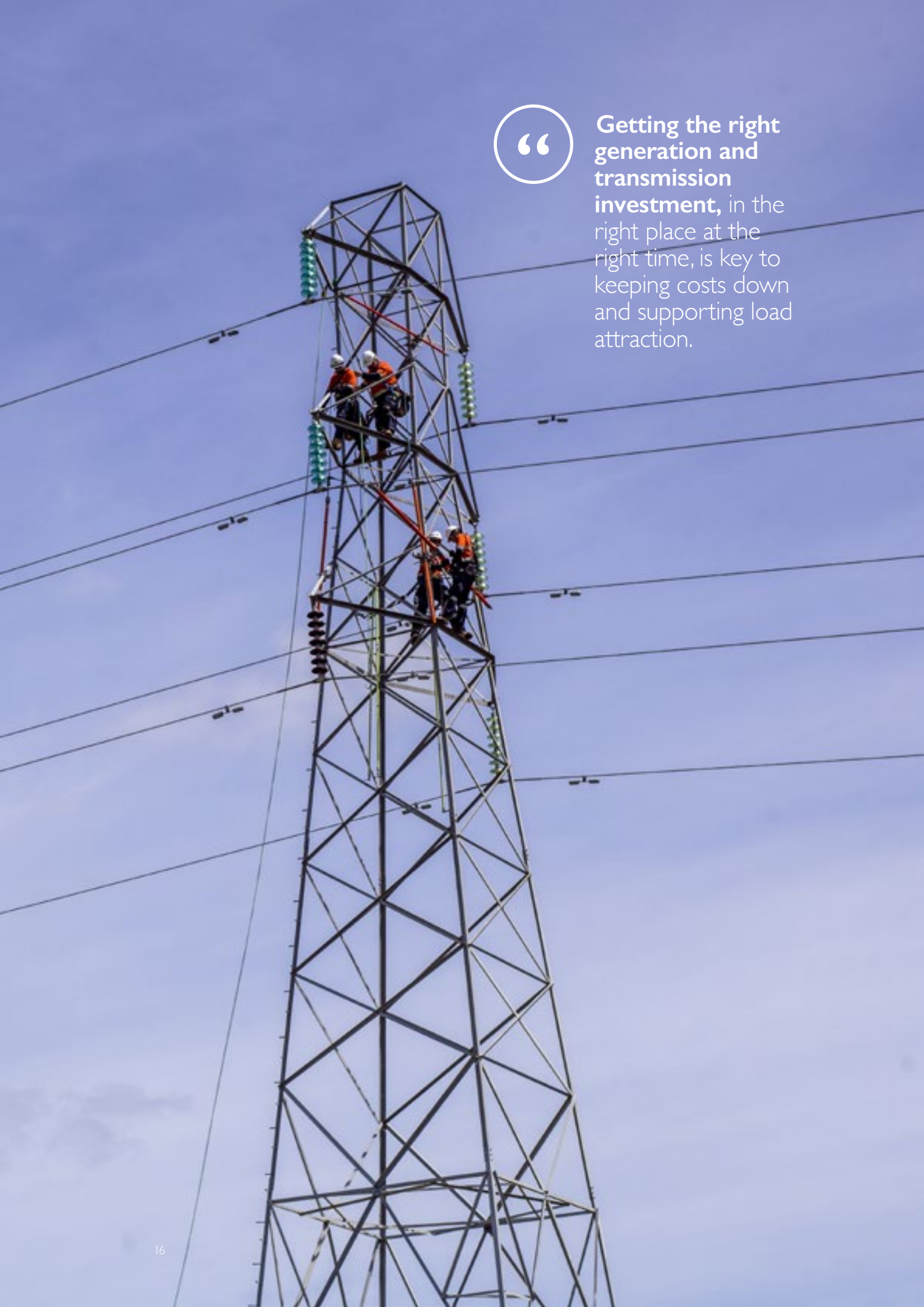


4. What the Framework delivers

The Framework will play a vital role in delivering the renewable energy generation and supporting transmission required to achieve the TRET, and support the NEM transition.

The goals set out in the Framework are about delivering the right development, in the right place, in the right way to grow our renewable energy sector – with community partnerships to deliver this growth at the heart of our approach. The intent is to ensure growth is in accordance with best practice stakeholder engagement, secures community benefits, and provides for engagement as part of the strategic planning to provide for better outcomes.

The Framework focuses on actions to efficiently deliver the large-scale renewable energy projects to unlock generation capacity and yield load investment within our highly prospective REZs.



Getting the right generation and transmission investment, in the right place at the right time, is key to keeping costs down and supporting load attraction.

OBJECTIVE 1

Achieve our Tasmanian Renewable Energy Target

GOAL 1.1 Orderly sequencing of new renewable energy development

TO ACHIEVE THIS, WE WILL DELIVER:

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 (TRET).

Tasmania's drivers for new renewable energy generation are predominately linked to mainland coal-fired generation retirement.

WHY IS THIS IMPORTANT?

Getting the right generation and transmission investment, in the right place at the right time, is key to keeping costs down and supporting load attraction.

If new sources of supply are brought online too early – that is, before coal-fired generation retirement occurs and the new supply is required – there is the likelihood for a new supply to have difficulty generating sufficient revenue to cover the capital investment.

Alternatively, if new sources of supply are brought online too late, the cost may be far higher – either by necessitating the rapid deployment of more expensive forms of generation (e.g. gas peaking units) or through the economic impact of voluntary or involuntary load shedding.

These timing challenges for development in an uncertain market are recognised in the AEMO's ISP, which adopts a least-regrets approach for bringing alternative sources of supply to market over the next 20 years.

Tasmania's drivers for new renewable energy generation are predominately linked to mainland coal-fired generation retirement (and enabled by the further capacity that Marinus Link would provide) and future load attraction (e.g. renewable hydrogen production).

The challenge is to ensure that this new renewable generation is available within a complementary timeframe to support the optimal delivery of these projects.

The long lead times required to plan and build major renewable energy projects (e.g. wind and solar farms) mean that development planning and approvals will need to commence well in advance of the commissioning of Marinus Link. The even longer lead time, associated with any additional large-scale transmission development required to support the generation, further contributes to the sequencing challenge.

Mechanisms that have been incorporated in other jurisdictions to support optimal timing include market pull mechanisms to attract generation (e.g. reverse auctions), or incentives to coordinate generation and load. These mechanisms may also be used to support the achievement of equivalent renewable energy targets.

Should such mechanisms be put in place, there could be complementary requirements placed on generators to show how they will contribute to other requirements such as local development, share benefits with the community, training opportunities and job creation.

To determine the least cost and optimal delivery of the TRET will require continuation of the Government's analysis of whether policy mechanisms are needed, and the cost and benefits of such action by Government.

The focus of this next stage of works will be on the benefits beyond achieving the energy policy to how the sequencing of new renewable energy generation can also assist in delivering better local supply chains.

GOAL 1.2 Collaboration and strategic decision making

TO ACHIEVE THIS, WE WILL DELIVER:

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.

WHY IS THIS IMPORTANT?

There are several steps that must occur before renewable energy projects can be built. The site must be monitored and tested to confirm the resource quality, environmental assessment undertaken, planning approvals granted, and landholder negotiations completed. Throughout this process, the project must remain commercially viable and have a developer committed to the project.

Typically, a renewable developer will enter into landowner agreements early in the process to enable access to conduct the necessary studies and to provide an appropriate level of certainty over tenure, such as an option to a lease agreement, should the project proceed.

As such, it does not matter how good the technical and energy solutions are if the project will never be allowed to proceed. Accordingly, delivering on our renewable energy vision requires the Government to be highly collaborative. This is particularly so, given the diversity of renewable energy projects and participants involved in the delivery of Tasmania's renewable energy policy objectives.

The types of projects range from a new interconnector (Marinus Link), additional transmission (public and private), further Variable Renewable Energy (VRE) generation (e.g. solar and wind), new renewable hydrogen energy parks, to pumped hydro storage. The participants responsible for delivery of these projects include the Tasmanian Government, TasNetworks, Hydro Tasmania, and private generators.

To ensure that our processes are both robust and efficient, the Government is committed to actively engaging with market participants and proponents of major renewable energy projects. The Premier's Economic and Social Recovery Advisory Council (PESRAC) has highlighted the importance of the Government's role given the current environment of tight capital markets, globally suppressed economic conditions, and increased competitive tension between jurisdictions to attract mobile capital.

Responsible government agencies will continue to work together and with industry on key issues of concern. This collaboration will seek to draw together the various policy initiatives to provide consistency, maximise knowledge sharing and deliver positive outcomes. The Department of Primary Industry, Parks, Water and Environment, for example, has initiated several projects aimed at enhancing existing conservation and management measures of the wedge-tailed eagle and white bellied sea eagle.

The Government also acknowledges the need to provide for greater certainty of the State's environmental assessment of renewable projects. Major wind farms, for example, are the only type of renewable energy development listed as an activity requiring EPA Tasmania assessment under the *Environmental Management and Pollution Control Act 1994* (EMPCA). Other types of projects (e.g. solar, transmission lines, pumped hydro, and hydrogen) rely on the discretion of the EPA Tasmania Director to call in the projects for State environmental assessment under EMPCA.

There are also opportunities to ensure that our renewable energy objectives are aligned with the broader environmental, land use, social policies and strategies. Alignment with land use strategy is particularly important, as the state's REZs comprise large areas containing significant natural and rural resources and large tracts of public land. These areas include conservation and nature, farming, and forestry reserves and area of strategic importance for mining.

The consideration of the renewable energy objectives as part of the development of land use strategies, such as the Tasmanian Planning Policies, will assist in providing a consistent Government approach, and in directing

development to the most optimal locations from energy, land use, environmental and community perspective.

To affect such strategies, there is a need to identify areas that are most appropriate for renewable energy development. In South Australia, for example, the Statewide Wind Farm Development Plan maps demonstrate where wind farms are envisaged (in rural areas with low population densities) and discouraged (in proximity to populated areas, as well as character preservation districts such as the Barossa Valley and McLaren Vale). Such approaches provide greater transparency for industry and communities.

For development to proceed on Crown land, the developer is required to obtain Crown consent to undertake investigations and the development. These can include a reserve activity assessment, lease or licence and landowner consent to lodge a land-use planning application and subsequent works permit. Relevant considerations include any applicable reserve management plan and stakeholder input.

The Government will review this process with relevant agencies to identify how it can better manage the process for obtaining access to Crown lands for major renewable energy projects. Guidelines, for example, could provide further direction to proponents on Government considerations in assessing where and how Crown land access is granted.

GOAL 1.3 Efficient processes and procedures for major renewable energy projects

TO ACHIEVE THIS, WE WILL DELIVER:

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

WHY IS THIS IMPORTANT?

Achieving the TRET will require the delivery of numerous major renewable and infrastructure projects over the next 20 years. Such projects involve high levels of engagement across multiple parties, rigorous land use, and environmental assessment and approvals, challenging logistics, and substantial financial investment over many years.

For matters requiring inter-jurisdictional approvals, the Government will continue to work with other states and the Australian Government, to drive a collaborative process. This type of arrangement is currently being progressed through arrangements such as memorandums of understanding, project assessment plans and bilateral agreements.

As a part of its COVID-19 stimulus response, the Australian Government identified Marinus Link as a project that will have streamlined national approvals processes applied. The Australian Government is also exploring opportunities as part of its broader efforts on bilateral assessment and approval agreements on matters of national environmental significance to reduce duplication.

To navigate these complexities, and to support the strategic delivery of projects in Tasmania, the Framework proposes a dedicated role. The Renewable Energy Coordinator (Coordinator) would be established to support the delivery of the

Framework – working closely with Tasmanian communities and industry to facilitate the development and generation required to achieve our TRET.

The position is proposed to be the central contact and coordination point within the Tasmanian Government for industry, peak bodies, local Government, institutions and Government Agencies about major renewable energy projects. The role would seek to streamline inquiries from investors, working across Government to facilitate projects and ensuring that the processes are clearly defined.

By listening to and supporting Tasmanian communities, the Coordinator will create a vital feedback link between community and Government, providing for more effective policy implementation. The initial focus will be assisting foundational planning work proposed under the Framework to coordinate the delivery of the TRET and establish Tasmanian REZs.

The Coordinator would also drive key changes required to improve renewable energy development in Tasmania, while not compromising existing robust and independent regulatory assessment processes.

OBJECTIVE 2

Establish Tasmania's Renewable Energy Zones

GOAL 2.1 Integrated delivery of future renewable energy generation and transmission systems

TO ACHIEVE THIS, WE WILL DELIVER:

2.1.1 Mapping of priority areas within Tasmania's Renewable Energy Zones (REZs) for growth required to achieve the Tasmanian Renewable Energy Target.

2.1.2 Early community engagement on REZs planning (in addition to consultation processes).

WHY IS THIS IMPORTANT?

The physical capacity of the transmission network in Tasmania, and access to it (particularly within the REZs), is critical to ensure that the scale of generation targeted can be achieved practically, and Tasmania's resource potential can be realised.

This task requires a whole-of-system approach, to both shared and private networks, to optimally drive growth and determine how best to provide access to REZs.

Any further work will represent a continuation of the analysis under AEMO's ISP, which identifies and prioritises REZ development, and TasNetworks' strategic transmission plans, which provide conceptual transmission expansion blueprints in its statutory responsibilities as the Tasmanian Transmission Network Service Provider, and as the Tasmanian transmission jurisdictional planner. Such work would provide further state-level detail to drive optimal generation siting within the shared network.

This work should also consider how to deliver private investment in unregulated transmission and connection assets that add public value to the network. At its simplest level, this could be by identifying ways to optimise private transmission infrastructure and thereby minimise community impact, or through delivering increased reliability and security. The latter could be considered as part of a combined piece of work looking at potential mechanisms to achieve orderly development.

The outcome of the analysis should be a plan for each REZ that identifies areas that are likely to be most appropriate for renewable energy development. These spatial frameworks should identify where there is the strategic capacity for further development in support of the energy targets, and areas with the most significant resource potential having regard to the resource, land use, environmental and social considerations.

Community consultation is a critical component in progressing to detailed planning for the Tasmanian REZs that have been identified as priority areas for growth. Consistent with the ESB's proposed REZ planning regulatory model, we will ensure the values, impacts and social implications/factors identified by communities need to be considered alongside the technical and economic inputs that determine the location, design and staging of development.

Competition and consumer protection laws are another important consideration – to provide better coordination of generation and transmission investment in support of more efficient and orderly development, particularly of connection and transmission infrastructure to support new renewable generation. Amendments were made to the *Energy Co-ordination and Planning Act 1995* in November 2020 to provide for licensed electricity businesses, and prospective renewable electricity generators, to share non-public information about their projects without the mere sharing of information giving rise to an inference of anti-competitive behaviour.

Moving from REZ planning to establishment will require further consideration by Government to determine roles and responsibility, resourcing and what entity should deliver this objective.

OBJECTIVE 3

Partner with our communities

GOAL 3.1 Understanding what matters most to maximise benefits

TO ACHIEVE THIS, WE WILL DELIVER:

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

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

WHY IS THIS IMPORTANT?

Sharing with the community the financial benefits of renewable energy growth will provide for a long-lasting positive contribution to regional Tasmania. This sharing is essential, as the renewable energy vision will require high levels of engagement and acceptance.

Tasmanian regional communities currently receive annual grant programs and sponsorships maintained by the State's energy businesses and the existing wind farms. The Cattle Hill and Granville Harbour wind farms will further contribute, via Community Benefit Schemes, back to their respective regional communities.

These schemes go beyond statutory requirements related to compensation and mitigation, and represent voluntary commitments by the renewable energy industry. The Government supports the continuation of such benefit-sharing mechanisms as a useful tool to build better relationships and provide support for initiatives of value to the communities in which these projects are located. This includes working with the energy businesses as they develop similar schemes for transmission and pumped hydro projects in collaboration with respective communities.

As the financial benefits continue to grow with the additional generation and other major energy projects proposed within Tasmania, there is an opportunity to facilitate a more strategic approach to how these schemes are delivered. A strategic model would benefit communities by driving consistency and equity in scheme delivery.

The facilitation of a more collaborative approach between scheme providers could also consider opportunities for regional initiatives, in addition to the annual localised programs. This regional focus is important given the small geographic areas and small populations within the Tasmanian REZs.

The level of investment required to achieve the TRET may also provide opportunities to support co-delivery of broader social policy objectives.

Social investment from renewable projects can be achieved in a variety of ways, from communities investing in projects and getting a return (e.g. community energy projects), or generators investing in communities and getting a return (i.e. impact investment initiative).

A community benefit sharing arrangement can also create alliances with non-for-profit organisations to inject funding towards the delivery of social projects identified as important to communities, such as crisis housing.

The Government will seek to identify potential project opportunities for these innovative investment delivery models.

GOAL 3.2 Participatory and transparent engagement

TO ACHIEVE THIS, WE WILL DELIVER:

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

WHY IS THIS IMPORTANT?

As part of delivering on its renewable energy vision, the Government recognises the importance of engagement and community support across all projects. Accordingly, the Government strongly advocates that all renewable energy proponents use best practice stakeholder engagement, which is particularly critical given the long project timeframes for major energy projects and co-location of projects within REZs.

Industry has resources available for advice on best practice in community engagement, including the Clean Energy Council's Community Engagement Best Practice Charter or International Association for Public Participation (IAP2) guidelines. The responsible regulators also promote the benefits of engagement beyond the minimum statutory requirements, including the feasibility and design options analysis.

Greater engagement between all the different stakeholders and the community will continue to be a key Government objective. The intent is to better coordinate engagement and to articulate the best practice approach on issues of shared concern.

Existing examples include good neighbour charters, which provide for an understanding of how developers can address typical landowner and community issues – such as access to farmland.

Other options include requirements to demonstrate effective engagement as critical selection criteria for eligibility for any policy mechanism to achieve the TRET (see Action 1.1.1). Examples include the NSW Government's REZ pilot program, Victorian Renewable Energy Target (VRET), the Australian Capital Territory's reverse auction program, and Queensland's RE400 program. Another option is a code of conduct, which could specify expectations for developers.

If there are multiple renewable projects in a REZ, another need is for developers to communicate more effectively with each other to minimise potential cumulative impacts on a community. A Renewables Coordinator (Action 1.3.1) could oversee this approach in addition to facilitating the resolution of complaints.

The benefits include greater consistency and alignment of communication with Tasmanians.

GOAL 3.3

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

TO ACHIEVE THIS, WE WILL DELIVER:

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.

WHY IS THIS IMPORTANT?

Access to consistent and transparent information will significantly assist in progressing the practical implementation of Tasmania's renewable energy target. This approach includes identifying the tangible benefits and outcomes for Tasmanians from the major renewable energy projects required to deliver these goals.

The launch of the 'Renewables Tasmania' website makes it easier for community, industry and investors to find information on the Government's initiatives, policies and regulations that support delivery of the Tasmanian Government's renewable energy vision.

The website also provides access to the breadth of renewable energy activity being undertaken in our State, and to communicate the importance and value the Government places on consultation and collaboration with industry, workforce and communities to foster positive and transparent engagement.

The Government will review the progress against each of the supporting actions on an annual basis.

Chantel Hodgson
Image courtesy Granville Harbour

5. Have your say

Your feedback is important to us to ensure we have the right objectives, goals and actions to grow the State's natural renewable energy advantage in the right way for the benefit of Tasmanians.

To have your say, email your feedback to renewableenergy@stategrowth.tas.gov.au by Wednesday, 3 March 2021.

This input on the draft Framework will be used by the Government to shape the final version and strategic implementation plan.

6. Next steps

The Government will review feedback received through consultation and finalise the Framework and an accompanying implementation plan (i.e. the agreed actions to be undertaken arising from the Framework and associated timelines).

The Government, through Renewables Tasmania, will lead the delivery of the final Framework under the implementation plan, working closely with other Government agencies, energy market bodies and industry. It will work directly with communities to maximise the flow of benefits to host regions and realise opportunities for regional development.

Key Government functions under the implementation of the Framework will include:

- Leading community and stakeholder engagement.
- Leading the policy mechanisms establishment and administration to support the delivery of the TRET.
- Contributing to strategic planning for each REZ, including an optimal land use strategy.
- Promoting local development opportunities and engaging with the local community and industry.

The Government will review the progress against each of the supporting actions on an annual basis. Progress against meeting the TRET is proposed to be reported as part of the Director of Energy Planning's annual report.

Strategic Implementation Plan

	GOAL	DELIVERED BY
OBJECTIVE 1 **Achieve Tasmania's 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.
	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.
	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.
OBJECTIVE 2 **Establish Tasmania's Renewable Energy Zones**	**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).
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 strategically to maximise local and regional benefits. **3.1.2** Fostering opportunities to deliver social outcomes from renewable projects such as alliances with not-for-profits or community energy projects.
	3.2 Participatory and transparent engagement	**3.2.1** Industry best practice stakeholder engagement guidelines, such as a code of conduct.
	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.

Glossary of terms

TREAP	Tasmanian Renewable Energy Action Plan
TRET	Tasmanian Renewable Energy Target
Framework	Renewable Energy Coordination Framework
NEM	National Electricity Market
AEMO	Australian Energy Market Operator
REZ / REZs	Renewable Energy Zone and Renewable Energy Zones
ESB	Energy Security Board
ISP	Integrated System Plan
GW	Gigawatt
MW	Megawatt
PESRAC	Premier's Economic and Social Recovery Advisory Council
VRE	Variable Renewable Energy
EPA	Environmental Protection Authority Tasmania
EMPCA	*Environmental Management Pollution Control Act 1994*

Notes

Source references for Pages 6 and 7.

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6. TasNetworks, *Annual Planning Report 2020* Page 79
7. http://www.basslink.com.au/basslink-interconnector/operations/
8. Opennem.org.au
9. https://www.tasnetworks.com.au/Poles-and-wires/Pricing/Our-prices (click on Frequently asked questions, What drives the cost of running the electricity network?)
10. *Australian Energy Market Operator's 2020 Integrated System Plan*
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15. https://www.hydro.com.au/clean-energy/battery-of-the-nation/pumped-hydro (What is planned for the Cethana pumped hydro project?)

Department of State Growth

www.renewablestasmania.tas.gov.au

Front cover image courtesy
Granville Harbour Wind Farm