

3 March 2021

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Tasmanian Government
Department of State Growth
Via email: renewableenergy@stategrowth.tas.gov.au

RE: FEEDBACK ON 'RENEWABLES TASMANIA - RENEWABLE ENERGY COORDINATION FRAMEWORK'

To whom it may concern,

Thank you for the opportunity to provide feedback on the Draft Renewable Energy Coordination Framework ('the Framework'). We would like to congratulate the Government on their ambitious and progressive renewable energy strategy and the strong commitment to a fast energy transition while making Tasmania the renewable powerhouse of Australia.

The [Community Power Agency](http://www.cpagency.org.au) is a not-for-profit organisation that works to ensure communities are engaged in and benefiting from the transition to renewable energy. Established in 2011, Community Power Agency provides expert advice to community organisations, industry and government. We seek to build strong support for renewable energy and foster the development of community energy. We have supported more than 50 community energy groups to develop and deliver their own clean energy goals.

The Tasmanian Renewable Energy Target (TRET), which will see Tasmania doubling its renewable electricity generation by 2040, raises the bar for all other states and is a great step towards Australia becoming a global Renewable [Super Power](#).

Community Power Agency particularly recognises the emphasis on community engagement and partnership to achieve the Framework. We strongly believe that putting people at the centre of the energy transition will ensure that everyone can participate and benefit, and that this is paramount for the success of the Framework. Numerous academic and industry studies have shown that building strong community participation and benefit is central achieving a strong social license for renewable energy.

We strongly recommend the inclusion of complementary requirements such as local development and procurement, benefit sharing, job creation and training opportunities in any mechanism established to meet the TRET. We have been involved in establishing criteria and assessing such complimentary requirements in other jurisdictions. Experience in the ACT, Victoria and private Power Purchase Agreements is that these complimentary requirements are having significant impacts on developer practices. Actively encouraging and rewarding better quality community engagement and benefit sharing is having profound flow-on impacts on social license for individual projects and the industry at large. As such these mechanisms are having a positive impact on industry practice and generating the social conditions required for a rapid, effective and well-supported transition to renewable energy.

Community involvement: ownership & investment

A present, the Framework specifically highlights the potential for large-scale developments, particularly wind and hydro energy. We would like to see increased attention to and support for community owned renewable energy projects. Such projects take many possible forms, but all include local communities in the development, ownership and management of renewable energy projects, thereby delivering a range of local benefits including financial, social, environmental, technical and political benefits. Already, there are a number of community energy projects underway in Tasmania.

Community energy projects may be small in terms MW of installed capacity, but offer significant contribution in terms of bringing the community along and delivering local benefit. Community energy projects operate at a scale and in such a way as to actively involve people and build their understanding of, support for and connection with renewable energy. This social license can then transfer to other projects, creating the conditions required for effective and rapid uptake of renewables.

Our recommendations to aid community leadership on renewable energy are:

- Become more specific on how communities can participate and benefit from the TRET. We recommend establishing a carve-out of the TRET for community energy of up to 100MW and establishing a Feed-in-Tariff (FiT) for community energy projects.
- Encourage community-developer partnerships to ensure that large-scale projects address the community needs and concerns, and include benefit sharing, opportunities for community investment and deep community engagement. For an example, see below.
- Set up one Community Power Hub in each REZ to build community capacity and facilitate the establishment of community owned and co-owned energy projects. For example, see the [Community Power Hubs program](#) established in VIC, as advocated by us.

Community-developer partnerships leverage the best of both worlds while creating benefits for the community and the environment. For example, CWP Renewables and Partners Group has enabled community investment into their 270 MW Sapphire Wind Farm in the New England region of NSW. They offered community members a minimum investment of \$1,250 and a maximum investment of \$200,000. The minimum aggregate investment is \$3,500,000, and a cap of \$10,000,000 for the total aggregate investment. The large-scale project provides clean energy to power around 115,000 homes and displaces 700,000 tonnes of CO₂ each year. Investors receive a return of 6-10% per year. National and international studies confirm that community-developer partnerships support the creation of social licence of large-scale renewable projects and facilitate fast and fair transitions processes. This community-developer model could also be applied in Tasmanian communities.

Community engagement

We agree that quality community engagement will be essential to achieving the Framework. We recommend encouraging best practice via Guides, workshops, training programs and peer-to-peer learning opportunities. To date, developers have not been very good at sharing what is working and not working. They need encouragement to do this.

Local procurement, jobs and training

Local procurement and jobs are a key opportunities for renewable energy development to increase local benefits in communities. Such local benefits are not a given, as contracts are often fulfilled by external EPC contractors and FIFO workers. Government can play a role in encouraging local procurement, local industry preparedness and workforce preparedness in order to realise these regional development benefits. We encourage explicit attention to these aspects in the design of the TRET mechanism and the delivery of the REZs.

Renewable Energy Zones Implementation

We believe the REZs will benefit from community engagement, community awareness raising and industry preparedness at the REZ level. Such activities will help to deliver regional benefit, as well as facilitating harmonious development of the REZ and the projects therein. This could involve school programs, community events and celebrations, information stalls, information boards, competitions etc. to increase the general level of awareness and support for renewable energy. Industry preparedness would include efforts to inform and prepare local industries to take up the opportunities associated with renewable energy development, as well as establishing training and education programs. Both these will help increase the realisation of local renewable energy jobs.

Benefit Sharing

If in implementing the Framework the Government is seeking to regulate aspects of benefit sharing, we recommend setting expectations around:

- minimum contribution per installed megawatt, variable as appropriate to the technology, and
- local involvement (and ideally local control) in the governance and decision making of the funds.

However, we recommend allowing for and encouraging flexibility in how funds are spent (e.g. do not require a community grants program). This will allow funds to be allocated to local needs and will allow benefit sharing strategies to be tailored to local context, thereby creating greatest local impact. Importantly, it will also ensure local involvement and a level of local empowerment as a result of renewable energy development. Local involvement of this nature has been shown to be powerful in increasing local support for renewable energy projects.

Where there are a number of projects within one geographic area (as is intended with the REZs), we recommend the government require the establishment regional coordination of community benefit funds. This could be as simple as streamlining application and approval processes, so as to reduce confusion, duplication and wasted effort of community volunteers. Alternatively, it could involve the community benefit funding from several renewable energy projects being pooled into one regional fund that is independently governed (e.g. by a purpose built or existing regional foundation).

It is essential that benefit sharing is offered along side quality community engagement, or it will risk being seen as an effort to buy support. Essential to this is to start socialising the idea of benefit sharing early, and to include the community in the design of the benefit sharing strategy. It is also essential that benefit sharing starts before the disrupting impacts of the development are felt (i.e. starts before construction).

If you would like to receive more detailed information about our suggestions and feedback, please get in touch: jarra@cpagency.org.au or franziska@cpagency.org.au. We are also available to provide detailed program design advice and implementation support.

Kind regards,

Jarra Hicks and Franziska Mey

For further information please also refer to the following documents and links:

Community Power Agency Website: www.cpagency.org.au

Lane and Hicks (2019) A Guide to Benefit Sharing Options for Renewable Energy Projects. Link: <https://assets.cleanenergycouncil.org.au/documents/advocacy-initiatives/community-engagement/guide-to-benefit-sharing-options-for-renewable-energy-projects.pdf>

Hicks, J., Lane, T., Wood, E., Hall, N., Webb, A. and Mey, F. (2018). Enhancing Social Outcomes from Wind Development in Australia: Evaluating Community Engagement and Benefit Sharing. Clean Energy Council, Melbourne. Link: <https://www.cleanenergycouncil.org.au/advocacy-initiatives/community-engagement/enhancing-positive-social-outcomes>

Lane, T. and Hicks, J. (2017). Community Engagement and Benefit Sharing in Renewable Energy Development: A Guide for Applicants to the Victorian Renewable Energy Target Auction. Link: https://www.energy.vic.gov.au/_data/assets/pdf_file/0027/91377/Community-Engagement-and-Benefit-Sharing-in-Renewable-Energy-Development.pdf

Department of Environment, Land, Water and Planning, Victorian Government, Melbourne. Lane, T. and Hicks, J. (2014). Best Practice Community Engagement in Wind Development. ACT Government Environment and Planning Directorate, Canberra.

Lane T., Hicks j., Memery C. and Thompson B. (2015) Guide to Community-Owned Renewable Energy for Victorians. Melbourne. Link: https://www.energy.vic.gov.au/_data/assets/pdf_file/0030/57945/Community-Energy-Projects-Guidelines-Booklet-A4-WEBSITE.pdf

