RENEWABLE ENERGY COORDINATION FRAMEWORK

Renewables, Climate and Future Industries Tasmania

Tasmanian Government

We have reached 100 per cent thanks to our nation-leading energy policies and by making Tasmania attractive for industry investment

Image courtesy Hydro Tasmania

Ministerial message

In November 2020, Tasmania reached the world-leading status of being 100 per cent self-sufficient in renewable electricity generation. We reached this milestone thanks to our nation-leading energy policies, which are attracting new energy projects to the State. Importantly, these policies mean not only more jobs in regional areas and a cleaner world, but also downward pressure on electricity prices for Tasmanians. Our State has among the lowest power prices in the nation and we want to keep it that way.

We are determined to build on our achievements and to harness opportunities for the future. Our Tasmanian Renewable Energy Target (TRET) demonstrates our commitment to the continued growth of our renewable energy sector. The TRET is one of the most ambitious statutory renewable energy targets globally: to double our renewable generation to 200 per cent of our current needs by 2040. This means more clean, reliable and affordable renewable energy for businesses and consumers.

The need for more renewable energy has never been more important, with the National Energy Market (NEM) undergoing significant transformation to replace coal-powered generation, together with industry and Government commitments to achieve emissions reduction. Tasmania, as the nation's renewable energy powerhouse, is well positioned to support this transition to a more renewable and sustainable energy future.

Tasmania is already geared toward greater sustainability. It is what we are known for. Thanks to a century of hard work, invention, and innovation we have been at net zero emissions for six of the past seven years, providing Tasmania with a strong renewable energy advantage.

Building and promoting this renewable advantage through the way we deliver our targets will benefit our existing industry. It will help support new industry attraction, including a renewable hydrogen industry and advanced manufacturing, to our State.

The Government's vision for renewable energy growth will be guided by this Framework and requires achieving a balance between its four key pillars. It will be together with our community and industry that we will build a successful Tasmanian renewable economy we all want to see.

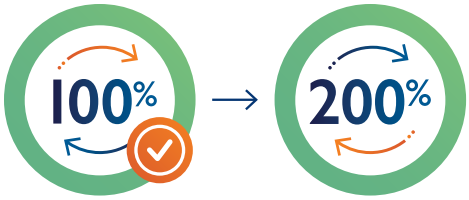
Our strategy is to support renewable opportunities through successful coordination regimes attributed to planning, policy and partnerships that maximise the benefits from a strong pipeline of development while being sensitive to communities.

This work will be led by Renewables, Climate and Future Industries Tasmania (ReCFIT) to strategically grow renewables and ensure we do so in a way that considers our unique environment and the interests of Tasmanians.

Central to this outcome will be the announcement of the State's first Renewable Energy Zone later in 2022 - to be informed by several actions in the Framework that will guide development in the right place, at the right time, to benefit Tasmanians.

We look forward to working together with you on the hugely important task of defining the future of renewable energy in Tasmania.

Hon Guy Barnett MP
Minister for Energy and Renewables



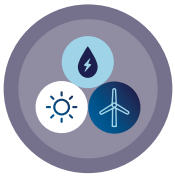
Australia's rapid transition to renewable energy

The Australian Energy Market Operator's Draft 2022 Integrated System Plan[1] projects an accelerated transition away from coal-fired generation and substantially increased demand through electrification of other sectors. This is summarised in the most likely 'Step Change' scenario as:

Coal

14 GW

Withdrawn by 2030



Variable

140 GW

New large-scale wind and solar by 2050

Dispatchable

60 GW

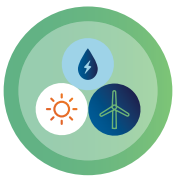
Including new pumped hydro and batteries by 2050

Tasmania's competitive advantage in renewable energy development

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

Marinus Link



New variable generation

large-scale wind and solar development potential

New storage plus increased dispatchable capacity options

Tasmania: a renewable energy powerhouse

Globally, renewable energy is transforming industry sectors and diversifying career opportunities.

Realising Tasmania's renewable energy potential will lead to increased jobs, skills development and support Tasmania's clean economy over many years.

$7.1 billion	Up to $7.1 BILLION[1] in new renewables investment as an economic contribution to Tasmania.
4 600 jobs	Over the period 2021 to 2027, 4 600 jobs are estimated to be created in Tasmania's renewable energy projects[2]
70 million tonnes of CO2 by 2040[3]	Decarbonising the energy sector requires action on a global scale. While energy production and use patterns are changing, the shift to renewable resources needs to happen faster to reduce emissions and mitigate the effects of climate change. Marinus Link will cut at least 70 million tonnes of CO2 by 2040, the equivalent of taking approximately half a million cars off the road.
$16.1 million investment	Energising Tasmania is a $16.1 MILLION program set up to support developing a skilled workforce for the renewable energy and related sectors in our State. Find out more at Skills Tasmania (https://www.skills.tas.gov.au/about/current_projects/energising_tasmania).

The Clean Energy Council commissioned a national study that highlights the boom in renewables related investment creates diversity in employment opportunities. Key occupations include:[4]

Trades & Technicians
24.8%

Labourers
23.5%

Professionals
22.6%

Machine Ops & Drivers
7.2%

Managers
14.6%

Administration Workers
7.3%

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Penstocks at Tarraleah Power Station

Introduction

HARNESSING OUR CLEAN ENERGY SUSTAINABLY.

Managing the scale and pace of renewable energy growth envisaged in our objective of 'Transforming Tasmania into a Renewable Energy Powerhouse'[1] requires forward thinking, planning and coordination.

The development of a Renewable Energy Coordination Framework (Framework) is a direct action of the Tasmanian Renewable Energy Action Plan (TREAP).

Having reached our 100 per cent renewable electricity target, our challenge is to build from this success to achieve the Tasmanian Renewable Energy Target (TRET) of 200 per cent of our 2020 baseline of 10,500 GWh of generation per year, through renewable sources, by 2040.

The pipeline of current large-scale renewable energy projects in Tasmania is around 2 800 megawatts[2] and represents a significant investment value. These projects, mostly wind, are not yet operational as they are either in the feasibility phase, approval system or have approval. While the Framework is not a substitute for the rigorous approvals process that renewable projects are already subject to, it will provide greater clarity on where development is optimal for both the community and the renewable energy sector.

Based on a foundation of four key pillars, the Framework sets out several critical actions which, once completed, will be integral to the renewable energy expansion and load growth required to achieve TRET and deliver shared benefits to Tasmanians.

A key driver of our energy load growth strategy is to coordinate the additional electricity supply that will be enabled through Project Marinus and as a result of greater on-island load. Project Marinus has been identified by the Australian Energy Market Operator's Integrated System Plan (AEMO ISP) 2022[3] as part of the optimal development path for the National Electricity Market (NEM) and also confirms that Tasmania's Battery of the Nation Projects and wind offerings represent among the most cost effective options for the transitioning NEM.

AEMO's ISP also reinforces that early planning is critical to ensure the timing of new electricity infrastructure aligns to retirement of aging base-load fossil fuel generation as it helps reduce costs to the consumer, enhances economic opportunity and ensures infrastructure is located in the right places. Under the Framework, the Government will assume a greater role in strategic planning for the timing and location of new electricity infrastructure that strikes the right balance between economic efficiency, technical requirements and community acceptance. As part of this role, the Government will also consider the most appropriate investment signal(s) to send to industry that ensures the cost to Tasmanian electricity customers and taxpayers is minimised.

The scale of Tasmania's renewable energy projects, timeframes for delivery, technological composition and social implications for our communities represent significant complexity, opportunities and challenges – particularly in the context of a target to double electricity generation through renewable resources. Accessing these resources also means there is the potential overlap with other land uses, be they mining, agriculture, or tourism, and the likelihood to intersect with communities as hosts or indirectly as infrastructure passes by them. This requires the Framework to remain adaptive to external influences (e.g. technological change). However, it also further substantiates the urgency to identify areas where new renewable energy infrastructure can co-exist with other land uses and areas where it is incompatible with current or future uses.

Renewable energy growth is recognised as a key economic driver for Tasmania. The Government wants to ensure that communities can benefit through local jobs and supply chain opportunities. The Framework includes a number of initiatives to enhance these opportunities, which will seek to provide tangible and intangible value to Tasmanians over the long-term planning horizon of projects. This will complement the $16 million Energising Tasmania program underway to build skills and training capabilities for our State's workforce to meet demand in the renewable energy sector.

New infrastructure development is necessary to achieve growth in the renewables sector and should be well planned and considered.

The Government is committed to Tasmania's unique sustainability values which encompass broader environmental, social, cultural and Aboriginal heritage strategies as well as climate action initiatives. Collaboration with industry, communities and inter-governmental agencies is integral to delivering sustainable outcomes that demonstrate best practice to enhance Tasmania's reputation globally as a leader in renewables.

The Government strongly encourages all proponents, existing and potential, to follow the Australian Energy Infrastructure Commissioner (AEIC) recommendations in relation to large scale renewable development. Detailed recommendations can be found in the 2020 AEIC Annual Report and relate to a range of matters, including:

- Host landowner matters
- Neighbour matters
- Community engagement
- Planning permits
- Governance and compliance
- Use and selection of experts
- Complaint handling
- Site selection
- Health and safety

ReCFIT will use AEIC resources when designing, managing and reviewing actions related to large scale renewable energy projects.

At the heart of the Framework is the pillar of 'Community', to give a greater voice to what matters most to Tasmanians, delivered through development and co-design of Community Partnerships. This approach will ensure genuine engagement aimed at delivering benefits in communities across a full spectrum of opportunities - from local training; jobs and supply chain prospects; and community benefit funds (which could extend to community co-investment or co-ownership models).

The Government's vision for Tasmania is an investment in our communities to help shape the benefits from our State's renewable energy future.

Renewable Energy Roadmap

The Framework will assist in delivering the first phase of the broader growth roadmap, which includes establishing a first Tasmanian Renewable Energy Zone, concluding the design and approvals phase of Project Marinus, taking a final investment decision on the Project and developing a local hydrogen production industry. In addition, the mid-range and longer-range goals will continue progression towards the delivery of the TRET.

PHASE 1
2022-2024
Strategic priorities

Framework Implementation Plan

Establish first Renewable Energy Zone

Marinus Link – final investment decision

Local hydrogen production

PHASE 2
2025-2030
Mid-range goals

Commence hydrogen export

Marinus Link constructed & commissioned

New variable renewable generation

New storage plus increased dispatchable capacity

PHASE 3
TO 2040
Long-range goals

Tasmanian Renewable Energy Target

Net zero emissions

Global producer/ exporter hydrogen

Achieving the Vision: Four pillars key to success

The Framework has four pillars pivotal to guiding renewable energy growth:

1. **Integrated Infrastructure** – to deliver the least cost and optimally located generation and transmission to meet load where it is needed.
2. **Environment** – to protect and enhance our State's environmental values – biodiversity, cultural and aboriginal heritage.
3. **Economic** – to stimulate job creation and business growth through renewable energy investment to build a skilled workforce for generations.
4. **Community** – to engage communities to ensure benefits are tangible and valued and make positive contributions to shaping their future.

Image courtesy TasNetworks

Achieving a successful balance and engagement between all four pillars will give confidence to industry, investors and community

Implementation Strategy

FOR TASMANIA TO REMAIN GLOBALLY RENOWNED AS A LEADER IN RENEWABLE ENERGY.

The significance of reaching 100 per cent net self-sufficiency in electricity generation in 2020 established a new era for our State, followed swiftly by the legislation of our world-leading 200 per cent Tasmanian Renewable Energy Target which requires additional generation, transmission and load.

Our Government's vision is to ensure Tasmanians and Australians have access to clean, affordable, and reliable electricity and to develop investment strategies that create the best possible environment for the private sector to innovate and invest.

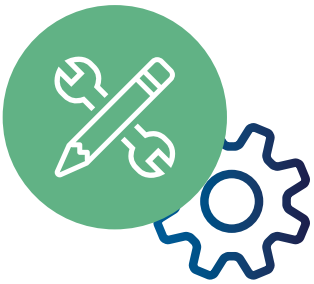
In pursuit of this vision, the Framework will support the next phase of renewable energy development in Tasmania and contribute to Tasmania's and the nation's emissions reduction and sustainable development outcomes.

The Framework promotes and supports this development occurring in a way that:

- Helps to deliver the lowest electricity prices for Tasmanians.
- Better co-ordinates investment in transmission, generation, storage and firming infrastructure required to support Tasmania's contribution to a low cost, renewable energy sector.
- Encourages new private investment in the Tasmanian electricity system.
- Supports job creation and community benefits in our regions.
- Supports industry sectors to reduce electricity emissions pursuant to Tasmania's net zero emissions by 2030 target.
- Promotes shared responsibility for resource management and planning for renewable energy between Government, industry and the community
- Provides for fair, orderly and sustainable use and development within Tasmania's Renewable Energy Zones (REZ).
- Enables current projects to continue to progress through the existing rigorous and independent planning and approvals processes.

The key activities and mechanisms required over the next 12 to 18 months to support the delivery of the Framework has actions grouped under each key pillar, and where actions are closely interrelated, there is a reference to related pillars.

Pillar 1: Integrated Infrastructure



STRATEGY

To optimise existing system resources and adopt an integrated infrastructure planning approach that coordinates the required investment for an infrastructure foundation for the future.

OUTCOME

An electricity system that meets our on-island needs and supports NEM transition requirements at the lowest cost.

ACTION 1: SCENARIO PLANNING

Development of generation at the scale required to deliver the TRET will require the transmission network to be augmented. It is critical for the optimisation of existing system resources to conduct analysis that considers the scale of projects and initiatives in the development pipeline, cumulative impacts, locational and timing variables and organic load growth. While it makes sense to utilise existing network capacity where it exists, these may not be the areas where new generation projects will be best sited.

Undertaking scenario system planning is complex as additional renewable generation aims to meet many objectives – providing systems services locally, new generation and storage functions for the NEM and to meet emerging on-island load opportunities such as hydrogen. This requires balancing the needs of investors with those of the Tasmanian community, and the desire for increased economic activity to be shared in regional areas of the State.

AUSTRALIA'S ACCELERATED TRANSITION TO RENEWABLES

The Australian Energy Market Operator (AEMO) has published the Draft 2022 Integrated System Plan (ISP), proposing a 30-year 'optimal development path' for electricity investment in the National Electricity Market (NEM).

Since September 2020, AEMO has consulted with stakeholders, including policy makers, consumers and industry representatives, in preparing the Draft ISP.

After 18 months of consultation, stakeholders overwhelmingly nominated 'Step Change' as the most likely future scenario. This scenario meets Australia's net zero policy commitments, along with reflecting technology advancements, government ambitions and consumer preferences.

Scenario planning analysis will guide complex decisions on how best to promote and incentivise investment in priority areas, fairly allocate risk to market participants, minimise electricity prices and maximise economic returns for Tasmanians.

ACTION 2: ESTABLISH A RENEWABLE ENERGY ZONE COORDINATOR

The scale of investment and number of renewable energy projects in Tasmania (and globally) is unprecedented.

Coordination across Government, industry and communities is critical to support and manage this rapidly growing renewable energy sector and achieve the Government's energy objectives – the development of

WHAT ARE RENEWABLE ENERGY ZONES (REZ)?

AEMO, as part of its system planning approach – the Integrated System Plan – identifies the optimal areas within the National Electricity Market for the efficient development of renewable energy sources and associated electricity infrastructure – known as candidate Renewable Energy Zones (REZ). In Tasmania, there are three on-island REZ (North East Tasmania, North West Tasmania and Central Highlands) and one offshore REZ (the North West Tasmanian Coast) identified in the Draft 2022 Integrated System Plan (ISP).

The North West REZ comprises the landing point for Tasmania's second interconnector – Project Marinus, and the supporting North West Transmission Developments. It is also the location of Hydro Tasmania's preferred pumped hydro site – Lake Cethana and several existing and announced wind farms and a proposed solar farm project. The area also offers diversification opportunities for the agricultural, forestry, manufacturing, mining and resource sectors already operational in this region.

The Central Highlands REZ has strong network infrastructure, one of the highest capacity factors for new wind in the NEM (>50 per cent), and quality wind resources in proximity to the existing transmission network. This REZ is the location of existing and proposed wind farms and 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 the Bell Bay Advanced Manufacturing Zone, earmarked for potential large scale hydrogen production.

The Bass Strait has been identified as one of the top options off offshore wind energy generation in Australia by the national Blue Economy Cooperative Research Centre. The Offshore Wind zone represents existing project interest off the coast of Tasmania for an offshore wind farm.

The Tasmanian Government will build on the existing analysis under AEMO's ISP and TasNetworks' REZ strategic transmission plans, which provide transmission expansion blueprints for Tasmania to support the transition of the NEM. This work will provide further state-level detail to drive optimal generation siting within the network.

a hydrogen industry by 2024, more NEM interconnection, and the 200 per cent Tasmanian Renewable Energy Target by 2040.

Renewable Energy Zone (REZ) coordination helps to inform planning pathways for proponents who are committed to building new energy generation and storage projects and want certainty that the electricity grid has enough capacity to transport the power they propose to produce.

A REZ Coordinator will be established as an important first step. The Coordinator's form and function will be determined based on the scale of investment required, but must also complement the transmission planning elements of a REZ undertaken by TasNetworks.

The initial requirement will be the planning and design for Tasmania's first REZ. This process will involve multiple stages with

consultation a key component that will enable local issues to be considered early in the strategic infrastructure planning process. This input can influence the identified zone area, as well as network infrastructure corridors.

The successful implementation of Tasmania's REZ planning will require effective community consultation processes, particularly in considering impacts and opportunities for rural and regional communities (Action 9). Irrespective of the formation of a specific REZ and any applicable Government policy or guidelines, developers will continue to be responsible for project level engagement in accordance with best practice.

ACTION 3: MAJOR RENEWABLE ENERGY PROJECT COORDINATION AND CASE MANAGEMENT ROLE

In combination with designing the architecture to optimise the build out of renewables, there is coordination required with proponents and relevant state agencies to case manage new renewable projects.

This is important so that greater private sector involvement will continue to occur as part of delivery of the Government's renewable energy vision, particularly through new load and renewable generation projects.

Major projects are subject to rigorous statutory approval processes and associated administrative processes, with the processes often complex and requiring significant time to adequately address all sustainable development matters (e.g social, land use, natural values, environment). Better outcomes can be achieved if engagement starts early in the planning stage (i.e. prior to the lodgement of applications with the relevant regulator) and throughout the delivery and management of infrastructure and services.

ReCFIT will be tasked with offering major renewable energy generation and energy producing load proponents an initial and ongoing contact point in Government. In this context, ReCFIT will assume some of the industry attraction functions of the Coordinator General, but with a focus on renewable energy projects.

This coordination and case management function role is independent of the regulatory system and does not have any assessment or approval responsibilities. ReCFIT's role is to provide project facilitation services appropriate to the nature and complexity of the project; ability to respond to specific issues that may need to be addressed or identify early policy implications raised during the project development. It also seeks to promote whole of government consistency and use of best practice approaches.

WHAT WE HEARD...

"WWF has heard some concern in the community that this review could reduce the environmental assessment requirements for renewable energy projects and associated infrastructure. WWF believes that the most expedient way to deliver best practice renewable energy projects is by ensuring they undertake robust environmental assessment projects, as this gives confidence to the community, government and the developer that a project (or series of projects) is an appropriate and well sited development."

World Wildlife Fund (WWF)

Pillar 2: Environment

STRATEGY

Optimal siting of renewable energy projects and associated infrastructure to inform greater policy alignment that protects and enhances Tasmania's core sustainability values.

OUTCOME

The best places to develop renewables are identified and communicated. Aligned regulatory planning and approvals processes to support renewable energy development.

ACTION 4: SPATIAL MAPPING

Infrastructure development is necessary to achieve the TRET and should be delivered sustainably. The Government is committed to Tasmania's unique sustainability values which encompasses the broader environmental, social, cultural and heritage strategies as well as climate action initiatives. Collaboration with industry, communities and intergovernmental agencies is integral to delivering sustainable outcomes that demonstrate or go beyond best practice to enhance Tasmania's reputation globally as a leader in renewables.

ReCFIT has been tasked with better understanding the suitability of potential sites for renewable energy generation that ensures support from communities and delivers cost-effective renewable energy development. This work will take into account topography, land use designations and environmental and cultural heritage values through adopting a geographical information system (GIS) multi-criteria analysis (MCA) approach to identify and compare different renewable energy policy options. This will provide a systematic approach for supporting the complex decisions required to be made in regard to achieving our renewable energy vision.

This approach will ensure that future renewables policy relating to REZ are consistent with our environmental credentials and Tasmanian brand. It also ensures that environmental, land use, heritage and cultural values and the relationship between renewable energy and climate change are considered at an early stage as part of the policy response.

The outputs from this process will be used to:

- highlight priority renewable energy development areas
- send clear market signals to direct growth and development in optimal locations
- assist with focused community & stakeholder consultation
- provide for the protection and enhancement of Tasmania's core sustainability values
- inform potential future policy development, for example, co-location of renewables and other resources.

WHAT WE HEARD...

"this framework should provide the opportunity for a planned expansion of the grid to enable future energy generation assets to have access to the power grid in locations that are optimal to the generator's required input resources (e.g., wind or water) and locations where the project may have the least impact on nearby communities and the environment"

National Wind Farm Commissioner

ACTION 5: REVIEW EXISTING POLICY AND LEGISLATION RELATING TO RENEWABLES DEVELOPMENT

Proponents of major renewable energy projects are required to undertake a substantive number of technical assessments and regulatory approvals. These are undertaken in accordance with the requirements of Tasmania's Resource Management and Planning System (RMPS), which consists of numerous legislation and supporting policies, and seeks to further Tasmania's sustainable development objectives.

ReCFIT will be tasked to work across Tasmanian Government agencies to ensure processes that are as clear, efficient and consistent as possible, whilst not compromising our existing robust and independent regulatory assessment processes. This review will seek to identify areas where there is unnecessary complexity and duplicative processes, lengthy timeframes, lack of certainty or transparency, conflicting policy objectives, inadequate consultation or gaps. This review will be specific to major renewable energy projects and will prioritise, but not be limited to, a review of Crown land, heritage and environmental approvals processes.

ReCFIT will also continue to work with the State Planning Office on important initiatives such as the Tasmanian Planning Policy development and implementation.

WHAT WE HEARD...

"A Framework which balances all the stakeholders' needs, rather than predominantly suiting the needs of developers is an important element in ensuring future developments provide the optimum outcomes and transparency required by communities and businesses."

Tasmanian Minerals, Manufacturing & Energy Council (TMEC)

Pillar 3: Economic

STRATEGY

For Government to be an enabler of renewables investment, business growth and a workforce for generations to come (supporting role).

OUTCOME

Economic opportunity is enhanced for Tasmanians and investing in Tasmania.

ACTION 6: ESTABLISH TASMANIA'S FIRST RENEWABLE ENERGY ZONE

With an ambitious target of doubling electricity generation in the State by 2040 through renewable sources, REZ are expected to play a key role in minimising the cost of build out for Tasmanian customers and connecting generators through optimising the design of the power system. In addition, by coordinating new generation, storage and associated transmission in areas where there is not only an excellent renewable energy resources and investment interest, but that have the least impacts on other important values (e.g. land use, heritage, environment or tourism), REZ can provide for sustainable and supported community development

The Tasmanian REZ will be informed by a number of actions under the Framework, including Action 1 (Scenario Planning), Action 4 (Spatial mapping), Action 9 (Community engagement guidelines and benefit sharing), and a Register of Interest (ROI) process (Action 7). This work will culminate in the announcement of a first Tasmanian REZ in Q4 2022.

Establishing a first Tasmanian REZ will provide a signal to the market of a step change for large-scale renewable development being accommodated. Future build out will be informed by the work under Action 7 (Investigation of market mechanisms), which may lead to incentives for those proposing to locate in the REZ. Engagement with community in this first REZ design and development enable a pilot opportunity to learn from that will help inform the design and development of future REZ.

Importantly, establishing a first Tasmanian REZ does not preclude the development of energy projects in other areas of the network, particularly those which may already have enough grid capacity to allow connection. The existing rigorous planning and environmental approvals processes will continue to assess existing projects that have already invested significantly.

It is envisaged that there will need to be more than one REZ to deliver on all of the State's renewable energy objectives. There will be a rolling approach to establishing additional REZ, dependent on variables like the commitment and construction of Marinus Link, the rate of development of a hydrogen industry and organic load growth in the State. The funding models determined for REZ will also impact on their pace of roll out.

The appointment of a REZ Coordinator (Action 2), and model, is being considered in the context of what other Australian jurisdictions have announced, with the likely steps to establishing a REZ to:

- Identify Government's key objectives and desired scale of a REZ (Scenario planning)
- Define geographically suitable areas (Informed by geospatial mapping & registration of interest processes)
- Establish consultation expectations (guidelines)

- Investigate transmission infrastructure requirements (design, route identification, environmental and social impacts, cost estimates, and engagement)
- Deliver in accordance with design and planning (model varies depending on circumstances but could involve the Coordinator running a tender process)
- Ensure customer protections are considered as part of any cost recovery model

ACTION 7: INVESTIGATE MARKET MECHANISMS TO SUPPORT RENEWABLES DEVELOPMENT

Support mechanisms provided by governments are being more commonly used to achieve policy objectives, including renewable energy supply, emissions reduction and system security or reliability standards. Mechanisms can also provide for a consistent approach to renewable energy developments, whether this is through a reverse auction (as has been used in Victoria and ACT), or a formal application process subject to independent assessment (as in Queensland through CleanCo or applications for Long Term Energy Service Agreements through the Consumer Trustee in NSW).

While Tasmania has a competitive advantage in renewable energy, some form of support mechanism may be required to ensure TRET is achieved.

If needed, well-designed competitive processes can drive significant cost reductions in achieving government policy – ultimately benefiting consumers. As we seek to maintain our economic recovery from COVID, such mechanisms may be important as electricity is a key input to industry productivity and household consumption. Such initiatives can also incentivise other objectives, such as requiring local jobs and procurement, engagement and benefit sharing, and other social and environmental outcomes.

WHAT WE HEARD...

"Developing market structures and incentives to encourage timely investment in new generation while promoting transparency and minimise financial risk to state- owned energy businesses and taxpayers will be important, especially during the transition to the proposed post-2025 market design."

University of Tasmania (UTAS)

The Framework will investigate mechanisms to support the TRET implementation in Tasmania. The options will be integrated with the commercial interest identified from an ROI process aimed at quantifying the generation and load interest in Tasmania and potential pathways to achievement of Government's objectives considered as part of the scenario analysis (Action 1).

ACTION 8: ASSIST LOCAL ECONOMIC OPPORTUNITY

Renewable energy can be a key economic driver for Tasmania which can provide multiple benefits from which communities can prosper and grow.

Up to $7 billion[1] of new direct investment in major projects is planned over the next ten years. While this figure is based on an indicative development pathway modelled for Project Marinus, the impact is likely to be particularly important to regional areas of the State, such as the North East, North West and Central Highlands of Tasmania, which experience indicators of disadvantage in education rates, incomes, and labour force participation.

To maximise the employment opportunities renewables can offer, the labour force will need to be ready. This will involve existing businesses being aware and connected to the opportunities and having the skills to participate in large scale procurement processes, as well as individuals being trained and ready to take up new job opportunities.

Training takes time and is an immediate priority. Creating skills readiness will build trust in communities that they will be able to take up real and tangible opportunities from the renewable energy development in their area. The $16 million Energising Tasmania initiative has been established to work in partnership with Tasmania's education and training sector to deliver the right skills when needed as identified in the workforce development plan. This will deliver up to 2,500 fully subsidised training places.

In addition to Energising Tasmania, the Government is working on a range of communication and education actions related to emerging opportunities for communities. These are linked to the initiatives under the Tasmanian Renewable Energy Action Plan to 'Maximise local Tasmanian business and employment opportunities for renewable energy projects'.

Actions include setting clear standards and expectations around delivering tangible local economic benefits through a guideline (Action 9).

As part of a first REZ establishment, a round table forum will be convened involving developers, local business, local government and regional development organisations to commence the process of local economic coordination within renewable energy zone(s).

Economic opportunities also include creating local jobs, increasing local business revenue using local contractors, or offering innovative management and financial opportunities such as community co-ownership or co-investment. These major electricity infrastructure projects also bring other benefits, including infrastructure upgrades such as road improvements.

Consistent with the vision for achieving the TRET set out through scenario planning (Action 1), ReCFIT will be tasked with undertaking an analysis of the economic opportunities associated with the vision.

This will include understanding at a regional and local level the opportunities for community and business involvement in project supply chains and any social impacts that may need to be managed such as accommodation pressures or increased use of local services or infrastructure.

Pillar 4: Community

STRATEGY

Build strong partnerships with community to share the benefits of Tasmania's renewables future.

OUTCOME

A shared vision is developed with communities and lasting value delivered to them.

ACTION 9: A GUIDELINE TO COMMUNITY ENGAGEMENT, LOCAL PROCUREMENT AND BENEFIT SHARING PRACTICE

The world is in a rapid transition to renewables to reduce dependency on fossil fuels. Tasmania has clearly demonstrated its capacity and leadership in renewables with an ambitious 200 per cent TRET. This places our communities at the heart of this once-in-a generation opportunity, including the challenge of adapting to change which is inevitable when such significant transformation is required.

Submissions to the Draft Framework were supportive of renewable energy generally (as an idea or aspiration), however specific renewable energy projects can face opposition. This indicates that people's support for and approval of specific renewable energy projects – and policies - is contingent on how they are developed, the level of investment and engagement, and how to deliver the project while ensuring benefits can be valued (over a life-time) by communities.

SUMMARY OF AUSTRALIAN ENERGY INFRASTUCTURE COMMISSIONER'S INDUSTRY BEST PRACTICE RECOMMENDATIONS

- Community engagement – start early and remain active in the local community; consider employing locally based community engagement staff.
- Complaint handling – an effective complaints handling procedure should remain in place through development, construction and operational phases.
- Ensure transparency and accessibility for communities, including regular project updates, up-to- date accessible website, and consider establishing local shopfront(s).
- Use plain English in communications, such as for landholder correspondence, regular updates provided to affected communities, media releases and relations, and when explaining technical information to stakeholders.
- Consult widely on your construction plan (landholders, local communication, council, state and federal MPs, stakeholder groups/ associations, other local industries).
- Recognise that a large-scale transmission project will lead to changes and divisions in communities - decide how best to proactively address these changes.

Essential to the realisation of an expanded renewable energy sector is genuine, two-way engagement with community underpinned by comprehensive guidelines and principles. That is why the Government is committed to the

application of best practice communication engagement – guided by the Australian Energy Infrastructure Commissioner's (AEIC) Community Engagement recommendations[2]. This includes the development of a Tasmanian guideline to set clear standards and expectations around how renewable energy projects engage, consult and benefit local communities in Tasmania.

The AEIC is responsible for identifying and promoting best practices for industry in relation to the planning and operation of energy infrastructure including wind farms, solar farms, energy storage facilities and new major transmission projects and improving information access and transparency about projects.

Industry bodies, such as the Clean Energy Council (CEC), also have a key role in leading promotion of best practice for the industry and continue to promote effective community engagement. The Best Practice Charter for Renewable Energy Projects is a voluntary set of commitments for Clean Energy Council members designed to clearly communicate the standards that the signatories will uphold in the development of current and new clean energy.

ReCFIT has already appointed an experienced consultant in this field to progress engagement with communities in the development of a Guideline that reflects Tasmanian-centric values and consider the recommendations of the AEIC and CEC.

WHAT WE HEARD...

"most of the opportunities for community energy projects are at a much smaller scale and we hope that the final version of the Renewable Energy Coordination Framework can spell out in more detail what mechanisms will be used to support community energy projects at all scales."

Tasmanian Renewable Energy Alliance

WHAT WE HEARD...

"TasCOSS commends Renewables Tasmania's aim: "the heart of this Framework is communities and fostering partnerships to develop and deliver our plan for growth". We look forward to seeing how this aspiration is put into action in authentic ways.""

Tasmanian Council of Social Service Inc (TasCOSS)

ACTION 10: EDUCATION AND UNDERSTANDING OF RENEWABLE ENERGY ZONES

A desire from the community to better understand the renewables vision was identified through consultation on the Draft Framework, and is a necessary action for Government. It is intended for the Future Energy Hub in Burnie to be further activated and partnering established with Local Councils (prioritised in likely future REZ areas) with the intent of providing a physical presence where the public can access more information and get updates as REZ are planned, consulted upon and delivered.

An example of how this can occur is through engaging communities in the outputs of the spatial mapping exercise (Action 4), and in understanding the opportunities for local economic stimulus (Action 8).

As these local presences are developed, the Government will explore further ways to engage with Tasmania's communities, workforce, and industry in terms that resonate with them and fosters positive social outcomes.

ACTION 11: ENHANCE OPPORTUNITIES FOR COMMUNITY BENEFIT SHARING

A Community Partnership approach to implementation of the renewables vision can genuinely deliver community benefits from a full spectrum of channels including local training, jobs, and procurement; sponsorship grants and community benefit funds; community co-investment or co-ownership; education; awareness raising; and more.

The current benefit-sharing model of proponent driven Community Benefit Funds can be used to deliver a range of programs, including but not limited to community grants programs. Such programs can also include in-kind contributions, staff volunteerism, neighbourhood benefit schemes, tourism programs, education initiatives, scholarships, innovative energy products, community co-investment and co-ownership. Importantly, best practice benefit sharing needs to involve active community participation in its design, governance, and delivery – and it must be aligned and integrated with a quality approach to community engagement for the project.

With the scale of the renewables vision, there may be an opportunity within REZ to leverage and add to the proponent programs to deliver on other community and social aims, for example adding to public housing stock. Options for maximising community benefit as the scale of renewables pipeline investment grows will be investigated and consulted upon as part of this Framework of actions.

Community partnerships also have the potential to take engagement practice from 'inform' and 'consult' modes to deeper and more participatory modes of 'collaboration' and 'empowerment'

Chantel Hodgson
Image courtesy Granville Harbour Wind Farm

Implementation Plan Actions

PILLARS	ACTIONS	TIMEFRAMES
 INTEGRATED INFRASTRUCTURE	1. Complete scenario planning to identify the renewable generation and network investment required to meet existing and future load and to achieve the TRET. This will include consideration of social, environmental and economic drivers.	Q3 2022
	2. Establish a Renewable Energy Zone Coordinator to progress the planning, design and ultimate development of future REZ to support the achievement of the Tasmanian Renewable Energy Target. The Coordinator will lead community engagement regarding REZ development and benefit sharing.	Q2 2022
	3. A Major Renewable Energy Projects Coordination and Case Management function will be established within ReCFIT to provide a single point of contact for generation and energy creating load (e.g. hydrogen) proponents. ReCFIT will also collaborate with responsible State agencies to ensure a more seamless experience for proponents.	Q2 2022
 ENVIRONMENT	4. Complete spatial mapping to identify optimal siting of renewable energy growth, taking into consideration natural and heritage values, overlapping land uses (e.g. renewables, mining, tourism), and community values to ensure future policy initiatives developed align with the Government's sustainability objectives and Tasmania's brand.	Q3 2022
	5. Review energy and land use, environmental and social legislation, policies and strategies to enable appropriate development in pursuit of renewable policy objectives.	Q4 2022
 ECONOMIC	6. Establish Tasmania's first Renewable Energy Zone.	Q4 2022
	7. Investigate market mechanisms that may be necessary to help deliver new renewables projects and which could be used as a means of incentivising the location and timing of the project pipeline.	Q3 2022
	8. Assist industry readiness through training and education, facilitating contractor networks and providing greater visibility of pipeline timing so that local businesses can take advantage of increased economic activity as renewable energy project work ramps up.	Q1 2023
 COMMUNITY	9. Implement standards for best practice community engagement and benefit- sharing in Tasmania consistent with the recommendations of the Australian Energy Infrastructure Commissioner.	Q2 2022
	10. Establish ways to increase communication, education, networks, and relationships with communities within each Renewable Energy Zone that encourages and supports renewable energy uptake.	Q3 2022
	11. Enhance opportunities for community partnerships to expand benefit sharing schemes or community co-investment projects.	Q4 2022

How to get involved

Developing our Framework is a long-term commitment that will require ongoing consideration and collaborative effort.

Within our stakeholders, there is unique knowledge and valuable experience that needs to inform our strategic actions.

Therefore, to ensure our Framework creates meaningful and sustainable change, we seek your support.

To be involved with the ongoing implementation of our Framework, we invite you to register your interest on our website:

www.ReCFIT.tas.gov.au/register

Image courtesy
Granville Harbour Wind Farm

Appendix A.

What we heard (stakeholder consultation)

The Framework has been informed by a comprehensive consultation process that has significantly influenced the final published version. The feedback reinforces the need to balance community-focused engagement and environmental sustainability principles with strategic coordination and planning of integrated infrastructure to maximise economic benefits to Tasmania.

The consultation resulted in four themes being identified, which form the pillars of the Framework. The interrelationship between each theme is critical to getting the right outcomes – for our communities and how best to develop and deliver energy from renewable resource areas to where it is needed to maximise shared benefits to Tasmanians.

THEME	CONSULTATION SUMMARY AND SUB THEMES
 Integrated infrastructure	**Coordination & Approach** There is overwhelming support for coordination and planning, but consistent mentions to better articulate how the strategic approach to renewable energy growth will be flexible and adaptable to reflect unique regional circumstances and community impacts.
	Planning and Policy Several submissions sought further clarity on how the Government's Renewable Energy Vision aligns (and will evolve with) National and State Policies and the regulatory environment. This sub-theme also encompasses the importance of other broader generation (e.g., solar, bioenergy, green hydrogen, wave technology) and sought information on how the Framework will respond and integrate such technology and complement emissions reduction and climate change policy drivers.
 Environment	**Values of sustainability, heritage, cultural and climate change** Several submissions voiced their concern regarding Tasmania's natural environment covering climate change topics, sustainability, proctection of the States biodiversity and consideration of the State's cultural values. There was a strong theme that these values need to be maintained and a call for assurance that the Framework would not erode the current robust approvals processes.
 Economic	**Jobs and growth** Strong support for renewable energy as a key economic driver, however evidence of Tasmanian costs and benefits associated with the Renewables Vision need to be further quantified and communicated. Related topics included: • Many respondents supported Government led mechanisms as an effective tool to deliver the TRET and local benefits.

THEME	CONSULTATION SUMMARY AND SUB THEMES
 Community	**Social** A central theme arising from the consultation was the importance of community and authentic, meaningful engagement as we embark on achieving our renewable energy future. This includes: • Providing Tasmanian communities with accessible and inclusive forms of engagement • Valuing community interests equally with the views and interests of other stakeholders (proponents /government) • Support for coordinated Community Benefit Schemes and building broader community partnerships • A need for spatial data and analysis to identify values and support decision making
	Tasmanian Value Proposition We heard that the draft Framework did not clearly set out the value proposition of the Renewable Energy Vision to Tasmanians. Further, there is a need to communicate the key strategic drivers for the Framework, with most commentary related to: • Tasmanian benefits from major renewable energy projects (cost-benefits analysis); • Preserving environmental and cultural values; • Job and growth opportunities evidence; • Fair pricing (who pays); and • Why do we need more when we are already 100% renewable?

Disclaimer: ***"What we heard"*** is a themed summary of feedback received through the consultation process on the Draft Renewable Energy Coordination Framework. For context of verbatim call- outs referenced in this published Framework please refer to the individual submission available at **www.ReCFIT.tas.gov.au**

Appendix B.

Tasmania's Renewable Energy Profile

Our production capability that contributed to achieving 100 per cent self-sufficiency in renewable electricity generation in 2020[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 GWh3 per annum of electricity is generated by hydroelectricity in Tasmania.

Wind[4]

572.95 MW
Capacity

An average of 1,720 GWh5 per annum of electricity may be generated by wind in Tasmania.

5
Wind farms

Wind capacity figure calculated on installed capacity of 5 wind farms at: Cattle Hill, Granville Harbour, Musselroe, Studland Bay, Bluff Point.

A snapshot of Tasmania's distribution network and solar up-take.

Solar

157 MW
Rooftop solar

Approximately 40,000 solar installations (17% of homes in Tasmania)[6].

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 CIRCUIT KMs
Transmission lines and underground cables

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

Notes

AUSTRALIA'S RAPID TRANSITION TO RENEWABLE ENERGY (PAGE 2)

1. Australian Energy Market Operator's Draft 2022 Integrated System Plan

TASMANIA: A RENEWABLE ENERGY POWERHOUSE (PAGE 3)

1. https://www.marinuslink.com.au/2020/09/pm-announces-marinus-link-as-critical-project/
2. Renewable Energy Jobs in Australia | Institute for Sustainable Futures
3. marinuslink.com.au
4. https://www.cleanenergycouncil.org.au/advocacy-initiatives/workforce-development/clean-energy-at-work Page 18

INTRODUCTION (PAGES 5-7)

1. Tasmanian Renewable Energy Action Plan, Page 18
2. TasNetworks Annual Planning Report 2021, Page 36
3. Australian Energy Market Operator's Draft Integrated System Plan 2022

IMPLEMENTATION STRATEGY (PAGES 11-22)

1. Figures sourced from: Ernst & Young, The Economic Contribution of Marinus Link and Supporting Transmission, November 2019.
2. Based on the Commissioner's 2020 Annual Report, Appendix A Observations & Recommendations, Section 3. Community Engagement (pp 34-38)

APPENDIX B (PAGE 28)

1. https://renewablestasmania.tas.gov.au/100_target_achievement
2. Hydro Tasmania, Powering a stronger Tasmania – Annual Report 2020
3. https://recfit.tas.gov.au/renewables/100_target_achievement
4. AEMO Generation information spreadsheets for Tasmania dated 29/07/2020
5. https://recfit.tas.gov.au/renewables/100_target_achievement
6. Clean Energy Council, total solar installations (at 31 December 2020) https://www.cleanenergycouncil.org.au/resources/technologies/solar- energy
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?)

Renewables, Climate and Future Industries Tasmania