



Tasmanian Minerals, Manufacturing
& Energy Council

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Department of State Growth
GPO Box 536,
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Via email: renewableenergy@stategrowth.tas.gov.au

Dear Sir/Madam,

RE: Draft Renewable Energy Framework

The Tasmanian Minerals, Manufacturing and Energy Council (TMEC) welcomes the opportunity afforded it to provide feedback on the Draft Renewable Energy Framework.

TMEC represents the state's minerals, manufacturing and energy industries and provides leadership, effective issues management and cooperative action on behalf of its members. Our mission is to promote the development of sustainable exploration, mining, industrial processing and manufacturing sectors which add value to the Tasmanian people and communities.

TMEC's membership base represents an important wealth creating sector within the Tasmanian economy. Minerals exports alone account for 55% of Tasmania's commercial exports and is the foundation stone of many regional communities with 5,600 direct jobs.

Firstly, the Government is to be commended on its 100% renewable target achievement in November 2020. The Tasmanian Renewable Action Energy Plan is a positive step for Tasmania and the creation of a new division "Renewables Tasmania" is a good signal of the commitment to the plan.

TMEC supports the intent to provide a Renewable Energy Coordination Framework. Arguably Tasmania has already experienced Renewable Energy developments, both completed projects and proposed projects ahead of an overarching Framework being established and in doing so has already resulted in sub-optimal installations which in some cases will have an adverse impact for the remaining life of the installation. For example, in Hydro Tasmania's 2020 Annual Report (Page 36 Section 2 (d)) it reported a five-fold increase in onerous contracts since 2019 and this has been reported in the media as reflective of a recently commissioned Windfarm. 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.

TMEC's submission is focussed on predominantly two key points of influence, one being the impact on the competitiveness and performance of Tasmania's energy market and the other being the physical interplay between existing land use zones and new requirements for land for the purpose of adding new generation capacity and its associated infrastructure.

A point of clarity which TMEC is seeking in the next version is who is the audience the Framework is intended to ultimately serve? Is it the developers, is it the local host communities, is it the Government, is it all energy consumers? Which entity is the ultimate beneficiary of what this Framework intends to manage?

The creation of a Renewable Energy Coordinator is supported, providing this role recognises private investment may still attempt to do what they wish and that may serve to be of a greater benefit to the developer than in the best interest of the State. This role needs to have the authority to insist on performance, reliability standards and the design and commercial boundaries which influence ongoing charges to consumers.

The proposed Framework in its current format does not provide sufficient considerations to ensure decisions taken support the retention of existing businesses to enable them to grow and brand their products in line with Tasmania's 'Renewable Brand'. It may well be implied but it is not sufficiently clear as it is currently drafted. TMEC would propose a demonstration of overall net benefit to Tasmania in the long term can be demonstrated before a project proceeds. This attribute also provides risk clarity to investors in terms of determining their 10–20-year investment focus. The proposed document obviously provides focus on the government's future aligned objectives of increased renewables, Project Marinus, Battery of the Nation, and some load growth like Hydrogen.

The Framework states its objectives are to deliver reliable and low-cost energy. Recent events and reclassification of Basslink by AEMO, have demonstrated supply is not as reliable as in the past and now Hydro Tasmania is a monopoly provider of Lower 6 Ancillary services, price uncertainty is also now a real risk for any current customer and future entrants. It is suggested the Framework includes a section where it is influential with AEMO to force some changes on participants that will make the network more secure and remove price spike risks. Unless this is addressed, new entrants, either a Load or a Generator, will be constrained in their business opportunity. The current wind farms already cause network security issues or are not 100% dispatched because of ancillary service support and that should be addressed as part of the Framework roll out. There is no point having a Framework that states all the positives, yet from a technical side, some solutions are not feasible.

The Framework appears to assume the Government will have total control to achieve the objectives. Given private investors may wish to proceed with a development which do not fit the objectives of the Framework, how will this conflict in purposes be resolved? What if any control over private investors on private land has been considered? In some cases, the experts or solutions in fact may well be with the investors.

Under the section of "Partner with our Communities", an opportunity has been missed around education outcomes and community awareness. The Framework and the entity - Renewables Tasmania, with its overarching perspective should include the objective of engaging and educating the community members and educational institutions with the information and career and business opportunities to promote Renewable Energy, and Tasmania's role in this global opportunity.

Clearly one of the challenges is ongoing employment beyond the peak of construction. The nature of the technology is such that ongoing employment is often very minimal. A large windfarm can have as little as 5-8 full time employees for all need's other than major periodic highly specialised maintenance activities. Leveraging the construction stage to leave behind infrastructure for the benefit of the community, after construction is finished may be a way to improve the value proposition for the local community hosting the new Renewable Energy generator. The Framework could be enhanced by considering a "Cradle to Grave" approach. It would be prudent to ensure costed plans and suitable funding arrangements are in place for rehabilitation or repurposing of renewable energy sites should full asset life be achieved, or redundancy occur.

Within the context of TMEC's second key theme, TMEC acknowledges the creation of a new industry (generate and export renewable energy) will most likely require land access to areas which have historically been used for other purposes or set aside for those purposes – be it recreational, commercial, or other.

Two principles which TMEC see's merit in is.

1. Multi-user access, where proponents can co-exist in a mutually beneficial relationship.
2. A trend which is occurring in other jurisdiction where obsolete sites are repurposed as a renewable energy site. For example, installation of solar farms or battery sites adjacent to a redundant coal fired power station

and make use of the embedded infrastructure. Clearly access to the renewable resource is important, but so should minimising the impact on the natural environment and minimising the installation of expensive transmission networks which will be designed and built for a 40 plus year life to service a wind farm which has a 25-year design life.

TMEC has long held the view multi-user land access arrangements are far superior to one which seeks to exclude others. With appropriate consideration given to the location of any potential mineral resources located in the earth and the range of options where an above ground wind farm or solar farm could be established, proposals which are suitable for approval should demonstrate how the multiple stakeholders can jointly benefit from a development. The Framework should enable multiuser proposals to be superior to ones which requires entirely exclusive access.

There is considerable overlap between the proposed North East and North West REZs and areas currently designated as Strategic Prospectivity Zones (SPZs) under the Mining (Strategic Prospectivity Zones) Act 1993. This legislation is an important means of providing “continuing access to certain areas of the State having a very high potential for effect and efficient mining for minerals” (s4 Objects of Act). The minerals industry is a major wealth creating sector within the Tasmanian economy, so safeguarding areas of strategic minerals prospectivity is for the benefit of the Tasmanian community.

TMEC acknowledges the SPZ will be of a varying prospectivity. In saying that, as exploration technology advances, previous areas considered to be of a low prospectivity are subsequently revealing highly prospective opportunities. Coupled with the evolving ability to detect abnormalities (prospective deposits deeper in the earth with extremely sensitive technology) is the emergence of new critical minerals, many of which are enablers for the globes transition to lower carbon footprints. Previously identified low-value minerals become high value which changes the commerciality of mining a deposit.

With over one hundred years of mining and mineral processing in Tasmania, the economic and social benefits have been a foundation stone for the state. Given exploration is continuing across the State and the year-on-year increase in royalties alone suggests this industry needs to retain its ability to go about its business without having further barriers added or confidence in Tasmania being a destination for multi-generational investment harmed by short term decision making.

The Framework should recognise mainstream research which clearly demonstrates the inappropriate placement of infrastructure can sterilise prospective areas. TMEC has consistently supported a multi-use land access position. In determining REZs and development guidelines it is necessary that renewable energy projects do not exclude other users, including by sterilisation of areas considered highly prospective in SPZs.

To prevent sterilisation of resources, it might be considered that an ideal solution would be to map and delineate all highly prospective areas to extricate them from future development that could sterilise the resource. However, this is not practical, not only because the task would be enormous, but also because the scale of development and the arrangement of the infrastructure within the boundaries of a proposed area of development can result in different outcomes with respect to the impact on potential mineral exploration and extraction. Further adding to the impracticality of this approach are the points made above about developing technology and new minerals / new uses which change the commercial reality of an identified deposit becoming a viable mine.

Therefore, it is essential that an early-stage, rigorous process is used when deciding the location of renewable energy projects. For developments within SPZs, the proposed guidelines should require considerable consultation with Mineral Resources Tasmania and other stakeholders in the area. From a minerals industry perspective this would include tenement holders within or adjacent to the proposed area. The Framework should ensure the configuration of any proposed development in the SPZ can co-exist with access to explore and extract mineral resources as and when they become viable. The Framework should ensure the barrier to successful exploration and extraction, which is already a challenging process, is not made more onerous with the imposition of assets.

Following consultation, if in the opinion of the Director of Mines, a proposal would negatively impact on the potential exploration or mining of an area, the proposed guidelines should give authority to the Director to require modifications or withdrawal of the proposal.

Thank you for the opportunity to provide feedback on the Draft Renewable Energy Framework. Please don't hesitate to contact us if you require further information.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'R Mostogl', written in a cursive style.

Ray Mostogl
Chief Executive Officer