



How to build Social Licence in Renewable Energy Zones

RE-Alliance Submission to DPIE Tranche two regulations to support the Electricity Infrastructure Roadmap: Issues Paper

About RE-Alliance

RE-Alliance, formerly known as the Australian Wind Alliance, is a community based organisation of around 500 financial members including landholders, farmers, small businesses, climate campaigners, environmentalists and members of the community. Our vision is for a renewable energy transformation in Australia filled with sustainable, long-term community benefits for regional communities.

Introduction

RE-Alliance welcomes the New South Wales government's leadership in investing in Renewable Energy Zones, including critical grid infrastructure. We note that throughout the Electricity Infrastructure Roadmap (the Roadmap), the NSW Department of Planning, Industry and Environment (DPIE) highlighted the necessity of building social licence in order for the project to be successful.

We were pleased to see that in the Roadmap the indicative merit criteria for the Infrastructure Safeguard included consideration of social impacts, local economic benefits and the relationship between agriculture and large-scale renewable energy projects. These criteria will be vital to ensuring social licences for REZs are earned and maintained.

We note that the Tranche two regulations to support the Electricity Infrastructure Roadmap: Issues Paper seeks comment on the Electricity Infrastructure Investment Safeguard. While RE-Alliance understands that Tranche three will likely deal with the merit criteria in more detail, we wish to ensure that social impacts, local economic benefits and the relationship between agriculture and large-scale renewable energy projects are considered throughout REZ regulations and processes.

We plan to submit a more detailed response to the tranche three issues paper, however in submitting this brief overview, we are seeking to place these issues and ideas in front of the Department at the earliest opportunity. We thank the government for centring community engagement and benefit

sharing as a key component in the rollout of renewable energy zones. We wish to share our knowledge and offer our expertise in this field.

The need for social licence

The Department's own analysis in the Roadmap acknowledges that modernising the electricity system will require investment that is "unprecedented in both its scale and the relatively short time over which it must be made¹." An infrastructure program of this magnitude could face endless delays and cost blowouts if social licence is not earned early and maintained throughout the lifecycle of REZs.

Regional communities across Australia have gained considerable citizen expertise in large-scale infrastructure projects and associated planning and regulatory systems, particularly over the past decade. Organisations such as Lock the Gate and Environmental Defenders Office have empowered regional communities to work together towards common goals, resulting in considerable shifts and impacts on infrastructure projects and policies.

We believe that these skills and expertise gained within regional communities could be used to improve the REZ process by empowering communities to co-design the REZ they are set to host.

However, we also believe that if communities are not genuinely involved in the REZ process, these skills and expertise could be turned against the REZ model. This could deeply affect the ability to earn and maintain a social licence, and to roll out REZs within the timely manner that is so crucial to this state's energy security. We note that we are already beginning to witness this, with the establishment of the Merriwa-Cassilis Alliance to oppose a section of the proposed Central West transmission line.

Our work developing social licence through benefit-sharing

We specialise in building social licence and ensuring that regional communities receive their fair share of benefits from large-scale renewable energy infrastructure. We currently have two community organisers working in the Central West Orana Renewable Energy Zone, and would like to take this opportunity to share some initial work that we believe will be of interest to the Department.

Over the last seven years, our organisation has been working in this intersection between renewable energy projects and local communities, assisting renewable energy proponents to build bridges with local communities through benefit and profit-sharing arrangements. This typically takes the form of community enhancement funds that provide grants to local community groups and neighbour payments schemes. However, we have seen a great variety of innovative models, the following of which will be presented in more detail in our response to the tranche three issues paper:

¹ DPIE 2020, p.5

- Community Enhancement Funds
- Regional Enhancement Funds
- Neighbour Compensation Schemes
- Community Co-Investment and Co-ownership
- Aboriginal Community Benefits
- Local Jobs Procurement & Content
- Education and Training
- Value-add for Agriculture
- Genuine Communication & Engagement
- Community Co-design of REZs

We believe that a clear path to earning and maintaining social licence is for applicant projects and the Department to offer innovative benefit-sharing initiatives that empower REZ host communities, including the many communities along the proposed transmission lines, and crucially, to co-design these with the host communities.

Recommendation

We urge the Department to ensure that social impacts, local economic benefits and the relationship between agriculture and large-scale renewable energy projects are taken into consideration as part of the Safeguard, and are subsequently strongly weighted in the REZ merit criteria.

We are available to discuss the contents of this submission with government, industry and relevant stakeholders as desired.

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