



ACT
Government
Environment and Planning

Chair
Select Committee on Wind Turbines
PO Box 6100
Parliament House
CANBERRA ACT 2600



Dear Chair

Select Committee on Wind Turbines

In response to the invitation, sent to me by the Secretary of your Committee in December 2014, I make the following submission to the Select Committee on Wind Turbines.

The ACT Government has been a key player in large-scale renewable energy development in Australia since 2010 when the ACT Energy Minister, Mr Simon Corbell MLA, announced a feed-in tariff program for large-scale renewable energy generation based around reverse auctions of feed-in tariff rights. The motivation for this program was the need to source significant quantities of renewable electricity supply in order to meet the Territory's legislated greenhouse gas reduction targets that aim for a 40 per cent reduction on the ACT's 1990 level of emissions by 2020. The major initiatives that the ACT Government has taken under this program to date have been the reverse auctioning of 40 megawatts of large-scale solar generating capacity in 2012 and 2013 and the reverse auctioning of 200 megawatts of large-scale wind generating capacity in 2014 and 2015.

The need to transition to a low-carbon future electricity supply

The ACT Government believes it is imperative that Australia transitions to a low carbon future. Australia has one of the highest levels of greenhouse gas emissions in the world. Our country currently emits around 564 MtCO₂e¹ per year making it the thirteenth largest greenhouse gas emitter in the world². In addition to having a high overall level of greenhouse gas emissions, Australia also has one of the highest per-capita emission levels. According to the World Resources Institute, Australia's per-capita CO₂e emissions of 25.2 tonnes per year is the eighth highest in the world, a level 50 per cent higher than the OECD average and around four times the global average³.

Electricity is the main driver of Australia's high level of greenhouse gas emissions. The nation's electricity supply system emits around 179Mt CO₂e per year, approximately a third of total national emissions⁴.

¹ *Australian National Greenhouse Accounts: Quarterly Update of Australia's National Greenhouse Gas Inventory, June 2014*, Department of the Environment, 2014, Page 15

² *Climate Analysis Indicators Toolkit 2.0*, <http://cait2.wri.org>, World Resources Institute, 2015

³ Reference 2.

⁴ Reference 1, Page 15

Australia had the fifth highest per-capita emissions from electricity and direct combustion in the world in 2011 (10.8t CO₂e). This was the second-highest in the OECD and five times the world average⁵. The high level of electricity and direct combustion emissions is driven by Australia's dependence on black and brown coal for most of its electricity generation. Therefore meaningful emissions cuts cannot be achieved in our country without reducing its electricity supply sector emissions.

In the presence of an effective national system for pricing carbon, the role for renewable energy targets in aiding electricity supply emission reduction would diminish over time. Wholesale market pricing would be corrected to internalise the social and economic costs of carbon pollution. However, in the current absence of effective carbon pricing, the need for renewable energy support policies remains high.

Given that wind energy is likely to be the lowest cost type of commercial renewable energy supply, at least in the medium term, unless national carbon pricing is reinstated, new wind energy investment is likely to remain a major driver of the decarbonisation of Australia's electricity supply. This means the key question is how to best engage with key wind energy stakeholders rather than whether wind development should proceed or not.

The need for effective community engagement

One of the most important stakeholders in any wind development is the nearby local community. The ACT Government believes that early effective engagement with local communities is pivotal in delivering best wind farm outcomes. The Territory is committed to the implementation of good community engagement practices by renewable energy industries. A major part of this commitment has been a significant community engagement evaluation criterion that was incorporated into the assessment of proposals submitted to the ACT's 2014/2015 wind auction.

The community engagement criterion accounted for twenty per cent of the assessment score of each wind auction proposal. Proposals that were able to demonstrate good community engagement practices throughout all stages of their development were assessed favourably against this criterion. Wind auction proponents were required to address the criterion by providing a detailed Community Engagement Plan containing the following information:

- a) Goals and desired outcomes;
- b) Public engagement approach and principles applied;
- c) Success criteria and process evaluation;
- d) Key stakeholders;
- e) Project issues and risks;
- f) Proposed engagement response (activities, timeframes, format and tools applied, target groups involved, deliverables); and
- g) Framework for evaluation including timeframes.

⁵ Reference 2

Through this assessment of community engagement, the ACT Government was able to promote good community engagement outcomes with some highly innovative and effective engagement practices employed by successful proponents.

For the ACT Government, this experience confirms that strong community support of wind farms, including by immediate neighbours, is achievable through genuine engagement by prospective wind developers with local communities. Effective community engagement practices and participatory decision-making approaches have the ability to substantially mitigate the annoyance experienced by some community members, especially through co-development and benefit-sharing models. This, in turn, can help mitigate secondary health impacts and has the potential to empower individuals and whole communities. The ACT Government has developed a template for effective renewable energy local community engagement that it would be happy to share with other governments and interested organisations.

Should you require further information please contact Mr Jon Sibley, Senior Manager, Energy Markets and Renewables,

Yours sincerely

Dorte Ekelund
Director-General

4 February 2015