Effective local climate action

Influencing decision makers and community

28th June 2022

SUBMISSION: Victoria's Offshore Wind Policy Directions Paper.

(close for submissions 30th June, 2022)

Dear Offshore Wind team,

Lighter Footprints is a community-based group that aims to influence Australian local, state and national decision makers to take the action necessary to halt global warming as a matter of urgency. For over a decade, we have educated, advocated and brought people together in Boroondara and surrounding suburbs to inform the community and promote a clean energy future. We have 3,200 people on our mailing list.

Lighter Footprints welcomes the opportunity to provide a submission to the Offshore Wind Team and input to the final design of Victoria's Offshore Wind Implementation Statement.

Our submission is structured as follows:

This submission has been authorised by:

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Summary and Key Recommendations

As a Melbourne based climate action group committed to facilitating effective climate action, Lighter Footprints shares the Victorian Government's interest in developing Victoria's offshore wind industry to boost renewable energy production and achieve net zero emissions.

The Lighter Footprints Energy Transition Group (ETG) welcomes the opportunity to provide a submission to the Offshore Wind Team and input to the final design of Victoria's Offshore Wind Implementation Statement.

Background

The Victorian Government has recently committed to a 2032 offshore wind target for Victoria of at least 2GW, aiming for first power by 2028. It has also set targets to reach 4GW of offshore wind capacity by 2035 and 9GW by 2040.

Engage Victoria has opened a consultation "Victoria's Offshore Wind Policy Directions Paper" to gather views on proposed policy for offshore wind with the aim to establish the offshore wind sector in a way that creates a large new source of renewable energy and builds jobs and businesses in Victoria.

The Importance of Offshore Wind in reducing Greenhouse Gas (GHG)

Offshore wind has the potential to supply a significant portion of Victoria's power requirements, effectively replacing the power currently provided by coal fired power stations. This will result in a significant drop in GHG from the electricity sector and complement the GHG reductions from other forms of renewable energy. This decarbonization supports the reduction of scope 2 emissions from other sectors including transport, industry and residential and is a key step to reach net zero emissions.

Lighter Footprints' position on net zero emissions is for the Victorian Government to establish a 2035 target of 100%. That keeps cumulative emissions consistent with maintaining warming at 1.5 degrees C (or as close to 1.5 degrees C as possible). This was communicated in Lighter Footprints submission to "Victoria's emissions reduction target for 2035" which closed on 5th June, 2022.

Accordingly, we encourage the Victorian Government to look at ways of speeding up implementation of offshore wind to enable faster phase out of coal and facilitate net zero emissions being achieved significantly earlier than currently targeted.

Key Policies

We commend the Victorian Government for setting the above offshore wind targets as these provide an overarching goal.

Similarly, the government's plan to procure an initial offshore wind tranche of at least 2GW is an important step to help underpin the industry. We note further tranches are proposed and support these as a key to make the industry predictable for developers and the supply chain.

We encourage the Victorian Government to influence other states and territories to set targets for offshore wind. We also encourage the Victorian Government to influence the Federal Government to set targets for Australia as a whole, effectively setting up the strategy for the whole country. This will provide leadership and direction to government departments which have a role in offshore wind.

We provide further comments below for consideration.

Regulatory consistency and support for the regulatory approval process.

Streamlined approvals and consistent regulatory requirements are vital for smooth project implementation. Conversely barriers and delays in permitting can slow down and/or at worst sink projects completely.

The Offshore Electricity Infrastructure Act 2021 extends the remit of the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) to be the Offshore Infrastructure Regulator. Under its extended framework NOPSEMA has "responsibility for overseeing work health and safety, environmental management, infrastructure integrity and financial security for offshore infrastructure activities. A key focus will be providing guidance and advice to stakeholders on how to comply with regulatory requirements."

This essentially leaves the project developer to navigate (and pay for) the regulatory approvals process. We believe this approach is high risk and likely to lead to delays with initial projects due to the complexity involved.

We believe there should be a wider role for government to streamline development of the offshore wind sector. The government should look to coordinate offshore wind farm siting, consultation, and project development processes and facilitate the various regulatory approvals starting with the declaration of areas suitable for offshore renewable energy infrastructure. This will assist developers to move forward with more certainty, reducing the risks associated with navigating complex regulatory

requirements and speeding up implementation.

If this is deemed infeasible then strong support will be needed from the Victorian Government for project developers to navigate the federal approval regime.

An example of strong government support is Denmark's 'one stop shop' for timely project permitting with the Danish Energy Agency given the mandate to both plan and issue permits.

We also note that the British Government has a target to reduce the time for permitting offshore wind projects from four years to one year.

Building social license for the projects

An important part of this new industry is building social license in the communities where the infrastructure is located including those potentially affected by the offshore installations. It is vital to build support from the community early in the process and avoid opposition such as that being experienced for the Western Victoria Network Project.

Community benefit and input into planning secures social license for change. To achieve this the government needs to take a proactive role in supporting project developers to engage with the community and key stakeholders to identify and work through the issues. Benefits for the community need to be planned early and communities supported through the implementation phase where there may be disruption.

Economic incentives and support to reduce the cost of offshore wind.

As offshore wind is currently more expensive than onshore wind (Levelised Cost of Electricity of approx. US$90-100/MWh versus US$50/MWh) the government should consider how it can best support developers to help lower costs, particularly for the initial projects.

We note the support being provided through the Energy Innovation Fund to the first three offshore wind developers and commend this.

As noted above the procurement of additional tranches of electricity will help make the industry more predictable for developers and the supply chain.

Revenue support scheme(s) should be provided to secure the first batch of offshore

wind projects. As the industry develops and gains experience costs should decline and revenue support schemes can be wound back. Economic incentives such as feed in tariffs could be considered initially to minimize risk to developers and investors. These have been used successfully in Germany, Denmark, the Netherlands, France, Mainland China, Japan, South Korea, Vietnam and Taiwan. Other options are tax credits, rebates or reliefs.

It is important to have transparency on costs and we would like to see detailed, evidence-based, credible financial analysis on the levelized cost of energy from the proposed offshore wind systems and what level of government subsidy they require/expect.

Procurement support for developers is proposed and we commend this as an important step in assisting the industry develop in its early stages. However overly strict local content rules may increase costs and be detrimental to investment in a market with limited capacity and experience.

We note the support for enabling infrastructure such as development of port facilities and transmission connections. This could be extended by coordinating sharing of infrastructure (e.g. transmission) between projects to reduce costs. One opportunity is to consider extending the 500kV network to a location near the coast to accommodate connections from both the Marinus link and offshore wind farms. This could also be used by proposed onshore wind farms in Gippsland to tie-in to transmission infrastructure to Morwell.

We also suggest evaluation of storage options to store excess power from offshore wind. Stored energy could be used to either firm the grid or supply new loads. Options may include batteries for short term storage or use of Basslink to store excess as pumped hydro in Tasmania.

We suggest that the Victorian Government draw on expertise from Europe where there is approximately 25GW of offshore wind already installed and many lessons learned. It is suggested that a European expert in this field be engaged to provide an independent review of the Victorian strategy, policies and associated infrastructure.

The large amount of electricity generated by 2GW of offshore wind and other renewables will not always coincide with the traditional Victorian NEM demand curve. A government led focus on "Renewable Sponge" flexible tariffs will assist using variable renewable energy efficiently and cost-effectively. The recent report "Rewarding flexible demand: Customer friendly cost reflective tariffs and incentives" from the ‘Race for 2030’ group details these opportunities.

Technology development

We note the detailed technical studies completed to date and again commend these. An extension to this is to consider new technologies to provide even more precise wind data such as Wind Cube Lidar (if not already used).

Technologies should be considered to limit the impact of bird strike by turbines.

As Victoria has significant areas of suitable shallow water fixed bottom offshore wind technologies will be used for the initial projects. However, as these areas are exhausted support for research of floating offshore wind could be considered.

Environmental impact

Impacts on the environment from the development of offshore wind farms need to be thoroughly assessed and, where appropriate, steps taken to eliminate or mitigate these impacts. This includes identifying the area over which biological effects may occur, measuring responses to wind farm construction and operation to determine disturbance effects on marine mammals and seabirds, plus learning from other countries experience to determine effectiveness of mitigation measures.

Recommendations

Based on the information set out above we recommend:

1. Continued strong Victorian Government involvement in the development of the offshore wind sector to push through barriers.
2. Provision of a minimal revenue support scheme to secure the first batch of offshore wind projects.
3. Coordination of offshore wind siting, consultation and project development processes.
4. That the Victorian Government provides assistance to developers targeting a one year timeframe for permitting offshore wind projects.
5. Support by government to secure the social license needed for each project.
6. We further recommend that the Victorian Government:
    a. Provides a forum for developers to meet with local suppliers with a view to maximising competitive local content.
    b. Provides incentives for relevant businesses to establish themselves in the Latrobe valley bringing employment to the area.

Responses to the Offshore Wind Survey

(Also submitted via the Engage Victoria website, submission ID 1047232)

Have you read the Offshore Policy Directions Paper?

- (●) Yes
- ( ) No

Are you responding as an individual or on behalf of an organisation?

- ( ) Individual
- (●) Organisation

What is the organisation?

Lighter Footprints

Which stakeholder group do you belong to? (tick all that apply) Required

- [ ] Maritime
- [ ] Investor
- [ ] Community group/ Not-for-profit organisation
- [ ] Community member
- [ ] Business
- [ ] Industry association
- [ ] Government (stage or federal)
- [ ] Local council
- [ ] Energy industry
- [ ] Research
- [x] Environmental Group
- [ ] Prefer not to say
- [ ] Other

If you answered other, which stakeholder group do you belong to?

Have you read any other information about Victoria's potential offshore wind energy?

- (●) Yes
- ( ) No

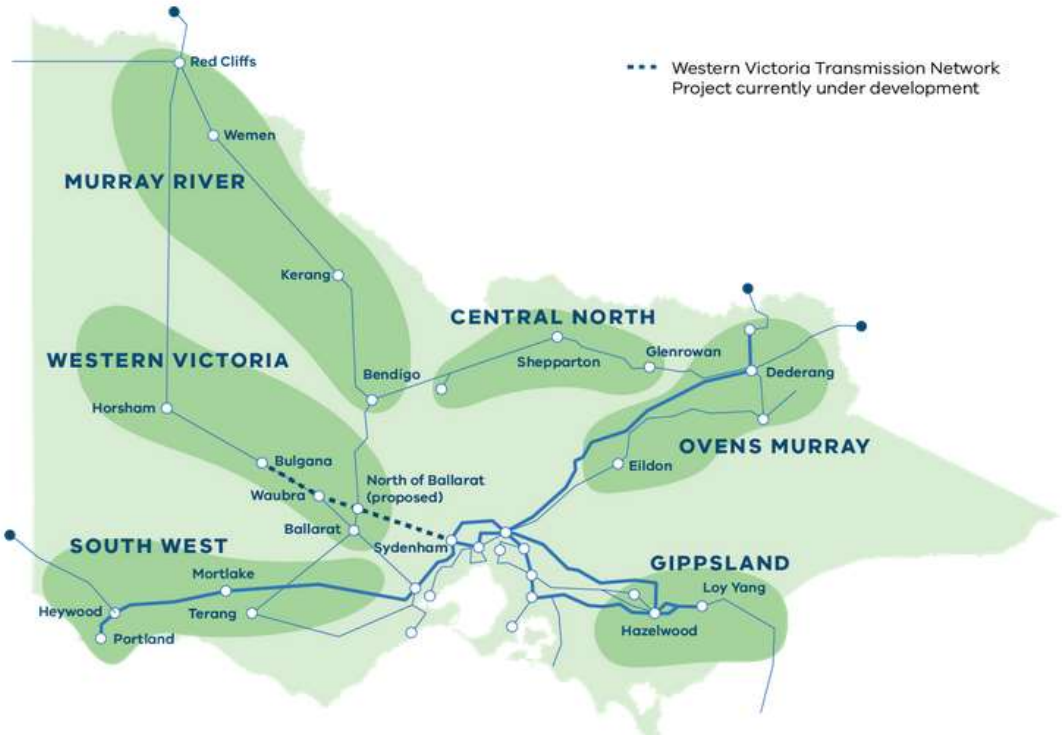
If you answered yes, what have your read?

CSIRO GenCost 2021-22, Projects websites, ANU research article, Global Wind Energy Cou

Are you a resident or business owner in any of the following Renewable Energy Zones?

See Map below

- ( ) Central North
- ( ) Gippsland
- ( ) Murray River
- ( ) Ovens Murray
- ( ) South Victoria
- ( ) Western Victoria



A number of factors need to be considered and balanced in planning and developing Victoria's offshore wind sector. Please rank the five most important factors below in order of which you think is most important

Please click on each item you want to select. This will display the number in order of selection. Once selected you can also reorder the options by moving them up and down.

1	Climate change and reducing greenhouse gas emissions
2	Reduction in reliance on coal-fired power stations
3	Electricity supply security and reliability
4	Minimising any impacts on biodiversity, habitat, ecosystems and the natural environment
5	Regional economic development
	Minimising any impacts on cultural heritage, including Victorian indigenous cultural heritage
	Minimising any impacts on landscape aesthetics and visual amenity
	Minimising any impacts on marine activities
	Minimising any impacts on infrastructure and amenities (for example, roads and transport)
	Minimising any impacts on the value of private landholdings
	Keeping electricity costs low for consumers
	Local jobs and training

Are there any important factors that are missing from the list above. If so, please specify and indicate the ranking you would have given if it was included in the list above

What channels would you like to be engaged through so your views, priorities and concerns are captured in the planning and decision-making processes for the development of the offshore wind energy sector? Required

- [ ] Online surveys
- [x] Telephone surveys
- [x] Focus groups
- [ ] Community online forums/workshops
- [ ] Via a representative body, such as local government, an industry body or community group
- [x] Engage Victoria website
- [ ] Other

If you chose other, what additional channel would you like to engage through?

What group would you most trust to represent your views in decision-making processes about the planning and development of offshore wind energy?

- (●) Local community group
- ( ) Local industry body
- ( ) Local government
- ( ) Expert advisor
- ( ) State peak consumer advocacy body
- ( ) State peak industry advocacy body
- ( ) I do not trust any of these groups
- ( ) Other

If you chose other, what is the name of the group you would like to represent you?

The Policy Directions Paper will outline the processes for establishing an offshore wind energy sector. How strongly do you support the development of the offshore wind sector?

- ○ Strongly Disagree
- ○ Disagree
- ○ Neither Agree Nor Disagree
- ○ Agree
- ◉ Strongly Agree

Do you have any suggestions for how communities could be involved in the early engagement to plan for offshore wind projects?

Community forums, both face to face and online, Local Council forums

Regional development is an important consideration in developing offshore wind farms and ensuring local communities benefit from the energy transition. What benefits would be most valuable to your community?

Ensuring jobs to replace those lost when coal fired power stations shut down.

Do you have any suggestions for how these benefits could be delivered and shared in your community?

What is your overall level of support for the development of the offshore wind sector?

- ○ Not supportive
- ○ Neutral
- ○ Somewhat supportive
- ◉ Fully supportive
- ○ Don't know, I need more information

Do you have any other comments about the Policy Directions Paper?

Yes, we will email through to the Offshore wind team at DELWP.

Do you identify as an Aboriginal Victorian or Traditional Owner?

- ○ Yes
- ◉ No

Please provide your email address if you would like to receive future updates on the development of Victoria's offshore wind sector

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