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Department of Planning and Environment
GPO Box 39
Sydney NSW 2001

Re: Draft Large-Scale Energy Guideline

ACCIONA Energy is grateful for the opportunity to provide the following response to the NSW Department of Planning & Environment draft *NSW Large-Scale Solar Energy Guideline* (the 'Guideline'). This letter comprises ACCIONA Energy Australia Global's (ACCIONA Energy's) response submission.

Who is ACCIONA?

ACCIONA Energy belongs to the ACCIONA Group (<http://www.accionna.es/>), and has been established in Australia since 2002.

ACCIONA Energy is one of the world's largest renewable energy company dedicated to the development, construction, operation and ownership of projects. The company has approximately 9,000 megawatts (MW) of renewable energy assets worldwide. This includes solar energy generation (both solar thermal and solar PV), wind farms, biomass, biofuels and hydroelectricity facilities. ACCIONA Energy's business is solely focussed on renewable energy and we actively participate in over 25 different schemes supporting renewable energy deployment around the world.

ACCIONA constructed the 20MW Royalla Solar Farm in the ACT and is now an operational plant. ACCIONA has a strong pipeline of potential solar projects in Victoria, New South Wales and Queensland. In addition, ACCIONA has built and owns three (3) wind farms in Australia: Waubra Wind Farm in Victoria, Gunning Wind Farm in New South Wales and Cathedral Rock Wind Farm in South Australia (in joint venture) totalling 305 MW. Construction of ACCIONA's 132 MW Mt Gellibrand Wind Farm near Colac, Victoria, is also now underway.

The ACCIONA Group operates globally and is also active in infrastructure and water sectors around the world. To date, ACCIONA has invested more than \$650 million in Australia and has employed over 500 people in the delivery of our projects.

Key matters in the assessment process

Development consent for SSD application (page 9)

Whilst the Guideline mentions that the Minister has delegated his function of determining SSD applications to the Planning and Assessment Commission (PAC), in practice to date for solar SSD projects, senior officers of DPE have made most determinations (in most instances there have been less than 25 objections and the local council has not objected). Currently the language within the Guideline (e.g. "some applications may remain with senior officers") suggests that delegation of the determination to the senior officers is the exception rather than the most common assessment approach for solar SSD. The involvement of the PAC has significant implications on the timing of the development assessment and consent process.

Therefore, ACCIONA requests that a qualification be placed within this part of the Guideline to inform developers that referral to the PAC for solar SSD generally only occurs if 25 or more objections to the project are received, the council objects to the development, or a political disclosure statement has been made.

Commonwealth EPBC Act approval (page 10-11)

The Bilateral Agreement accredits the NSW environmental assessment process for SSD proposals that impact on certain matters of national environmental significance under the EPBC Act, thereby removing the need for separate assessment by the Commonwealth. The Guideline acknowledges that the release of the new Bilateral Agreement is pending; however, this Agreement will assist the industry by minimising duplication in the environmental assessment and approval process.

If the Bilateral is to be released in the near future, its inclusion with the finalised version of the Guideline would prove helpful.

Importance of site selection (page 12) & Community and Stakeholder Engagement (page 24)

ACCIONA supports the premise of increased expectations on the community engagement activities of proponents. As a developer, owner and operator of our renewable energy developments, we have a significant, long term vested interest in maintaining positive and productive relationships with the communities in which we are located.

Many of the recommendations outlined in the Guidelines are consistent with our current community and stakeholder engagement process.

Nevertheless, the recommendation for community participation prior to and during the site selection process and scoping stage has the potential to be problematic. At

this stage of the process, it is likely that prospective SSD applicants have not yet definitively selected a site area, do not have preliminary development plans and most importantly have not secured land. Without these critical elements determined, community engagement may be difficult as:

- It may engender a sense of expectation within the community, even though there are many variables at this point which may contribute to the development not being realised. This could result in animosity amongst the community; damaging the proponent's reputation which may affect other potential projects.
- The proponent will not have answers to provide the community regarding any queries relating to the development location, size, layout, design etc., which may generate considerable frustration.
- The timeframe from the site selection to the scoping stage may extend over a period of years; thereby causing community unease and frustration.

The inherent competitive nature of the large-scale solar industry and the formulaic approach to identifying and securing the most commercially promising sites for large-scale solar development do not lend themselves well to wide public engagement prior to the selection and securing of a site. A large part of site selection is ensuring a viable and cost-effective grid connection; to approach community members with the idea that they may heavily influence the site selection process is likely to be misleading.

ACCIONA considers that an effective way to gauge community perceptions and gain an understanding of important community issues during this early site selection and scoping stages, is through detailed consultation with the Council. Engagement with the relevant landholder/s of the sites of interest will also allow an exploration into local community dynamics and likely expectations regarding the project.

ACCIONA appreciates the Department's focus on proponents obtaining and maintaining social licence to operate; however further discussions with the renewable energy industry should be undertaken to determine a practicable level of consultation during each stage of the SSD process. This will allow for an appropriate balance between community input, commercial realities and project viability.

Preferable site conditions (page 13)

ACCIONA agrees with the conditions that are preferable for the development of solar projects. The most limiting factor for solar (and any renewable) development to be viable is its proximity to the electricity network and connection capacity available at the anticipated connection point. The significance of this limiting factor should therefore be reflected within the Guideline.

Key assessment issues (page 17-18)

The Guideline states that projects developed on agricultural land should aim to be reversible to allow for land capability to be restored to its pre-development use. ACCIONA agrees that impact to land should be minimised where possible, should aim to be reversible and should be rehabilitated at decommissioning. However, some structures such as footings and in-situ cables may inevitably remain in-situ. In many instances, removal of these items at decommissioning will introduce more significant environmental impacts than leaving them inert and buried underground. Furthermore, the depth at which these items are buried will generally preclude them from affecting the ongoing use of the land for its former rural or agricultural purposes. It should also be noted that access tracks installed for the solar farm may be desirable for the landowner to retain in order to facilitate access throughout their property. For these reasons, ACCIONA contends that the infrastructure to be removed at decommissioning should largely be based on the negotiations between the proponent and the landowner.

The Guideline also states that cumulative impacts from other developments should be considered by the applicant. ACCIONA agrees that cumulative impacts are an important consideration. However in areas with multiple proposed solar developments in close proximity to each other, it is unlikely that they would all eventuate to development due to grid capacity constraints. Therefore cumulative impacts are likely to be overestimated. For any cumulative impact assessment, ACCIONA recommends that the Department allows the applicant to factor in the capacity constraints of the network and the proposed generation capacity of any proximate competing projects; this will lead to a more realistic assessment.

General matters

References

Some references made throughout the report may be quickly outdated. *Background* section (page 6) makes reference to grand funding that could commence construction in 2017 and the section discussing the *Independent Review into the Future Security of the NEM* (page 7) mentions the Finkel Review (along with a possible Clean Energy Target), which will likely require updating to reflect recent developments around the National Energy Guarantee. These should be removed or updated to make it applicable for the Guideline's future use.

Figure 1 – Summary of typical assessment and approval process (page 19)

Figure 1 is a useful figure which clarifies the process in an easy-to-read format. However, further clarification should be provided as to the PAC's involvement in the process.

The role of the PAC in relation to the determination of solar SSD projects should be made clearer within the Guideline document overall.

Conclusion

Overall, ACCIONA Energy commends the NSW Government for its recognition that renewable energy plays a fundamental role in the State's future.

We at ACCIONA Energy look forward to working with the NSW Government through further iterations of these Guidelines, as well as helping to realise its stated objective of increasing the uptake of renewable energy in NSW.

Thank-you once again for the opportunity to comment on the *Draft NSW Large-Scale Solar Energy Guideline*. Should you require any clarification, or further information on the comments that we have provided above, please don't hesitate to contact Chris Cantwell – Project Developer on 0400 913 780 and chris.cantwell@acciona.com.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Jamie McGilp", written in a cursive style.

Jamie McGilp

Senior Manager Planning and
Environment

ACCIONA Energy Australia Global