

29 September 2023



Australian Energy Infrastructure Commissioner  
Mr Andrew Dyer  
via submission upload

Dear Mr Dyer,

**Re: Community Engagement Review – Australian Energy Infrastructure Commissioner**

Squadron Energy welcomes the opportunity to provide this submission to the community engagement review being conducted by the Australian Energy Infrastructure Commissioner. We commend the government on the review and look forward to the outcomes which we hope will support and guide the renewable energy industry in its delivery of projects to meet community expectations and the Australian government's renewable energy targets.

Squadron Energy is Australia's leading renewable energy company that develops, operates, and owns renewable energy assets in Australia. We have 1.1 gigawatts (GW) of renewable energy in operation and an Australian development pipeline of 20GW. Our development pipeline has projects at differing stages of development and includes wind, solar and firming capacity such as batteries and gas peaking plants with dual fuel capability. With proven experience and expertise across the project lifecycle, we work with local communities and our customers to lead the transition to Australia's clean energy future.

Our focus is on delivering, owning, and operating renewable energy projects where we can share value and benefits with local communities. We continue to develop new ways to do this through community engagement, community feedback and understanding communities' evolving social licence expectations. Renewable energy project developers have deep and recent experience in community engagement processes that can be drawn on to support transmission providers and government network planners as their own capabilities mature.

Our submission offers reflections on our current practices to build and maintain social licence in communities and where greater coordination across the industry in general can support regions and communities through the transition.

**Coordination, early planning and engagement will support meaningful community outcomes and the timely delivery of renewable infrastructure**

It is an important aspect of any project to secure social licence and in our experience this is best achieved through early but measured engagement at the concept and prospecting stages.

Providing communities with early opportunities to shape projects helps build and maintain trust, avoid extreme community opposition and identify risks at a stage where there is more design flexibility and changes are likely to be less costly. For network planning, we consider similar principles would apply.



Coordination across the regulatory processes that shape the delivery of renewable infrastructure is also important to minimise delivery timeframes and the impacts of the project on the natural environment and communities. Currently there are different requirements through state regulatory processes for engagement at this early stage.

While recognising the challenges involved in coordinating settings across jurisdictional planning frameworks, where possible it is important that individual jurisdictions ensure predictability of their own processes and timeframes to support efficient pathways for project origination, development and construction.

Environmental requirements present greater opportunities for coordination between Commonwealth requirements, for instance, the Environmental Biodiversity Conservation Act 1979 (EPBC) and state frameworks. The forthcoming changes to the EPBC Act 1979 under the Nature Positive Reforms will enhance existing guidance and establish new requirements for areas such as regional planning, First Nations engagement and participation, community consultation and conservation planning. State regulatory processes should, as much as possible, seek to align with these changes.

Coordination is particularly important between proponents and government agencies in respect of renewable energy zones (REZ). The declaration of a REZ brings future cumulative impacts and opportunities. However, if these impacts and opportunities are not clearly and openly communicated to communities there remains a risk that support for renewable energy infrastructure and the transition is withdrawn. Without early and coordinated engagement, project proponents can be placed in the challenging position of working to develop relationships with stakeholders who feel REZ plans are a “fait accompli”. The task of regaining trust and rebuilding relationships falls on renewable generation project developers. Squadron Energy would like to see more early engagement with communities about the establishment of REZ.

Further, in step with the findings of the recent NSW Reliability Check-Up, we consider that coordination across government agencies and network infrastructure planners to undertake community engagement in REZ would see greater benefits, more clarity and accountability from the various parties involved in the delivery of renewable infrastructure.

### **There is a need for a public information campaign to communicate the benefits and necessity of the transition**

From a broad range of engagements with communities housing renewables, we have observed that the benefits, opportunities and need for renewable infrastructure is not always well understood or accepted. Enhancing general community understanding of the importance of renewable energy, Australia’s climate goals, REZ, government planning, the development process, and the opportunities for communities would help build support for renewable energy. While there is currently a plethora of organisations and companies providing this information it is not easily accessible to the people and communities hosting infrastructure. Equally, affected communities should be supported through targeted and on the ground engagement in a coordinated way. Coordination is crucial to avoid consultation fatigue in communities from developers, network planners/providers and a range of government bodies.

There is therefore an opportunity for a broad public information campaign and coordinated approach to engagement with communities across all jurisdictions. Utilising existing government architectures established to support jurisdictional planning bodies may be one means of coordinating engagement with infrastructure providers and consolidating information from a known and legitimate source. Utilising the resources of industry through the Clean Energy Council, to also focus on education and awareness in multiple dimensions – climate, economic opportunities and risks and renewal of the grid - would support a government information campaign.

### **Community benefit sharing helps communities meet their aspirations and mitigate project impacts**

Squadron Energy is committed to providing legacy in the communities in which it operates, and we recognise how vital regional communities are to how quickly we can transition. Proponent led community benefit sharing programs when done well can enhance the relationship between communities and developers. Our community benefit program is evolving, and in addition to Voluntary Planning Agreements with Councils (of 1.5% Capital Investment Value) the program currently includes:

- Community Investment Schemes where community members can share in the ownership of our projects, with a generous rate of return on their investment.
- City-speed Wi-Fi networks for farmers and neighbours to assist them with their agricultural businesses and personal aspirations.
- Dedicated economic development and indigenous engagement staff in regions to maximize business and employment opportunities in local communities, contributing to community capacity
- Sponsorships – which we develop with communities based on their need
- Educational activities and scholarships
- One-off infrastructure financial support where there is a demonstrated need (and a project may exacerbate the need), e.g., water infrastructure.

An important progression in approaches to community benefit sharing is a focus on the benefits to a whole region and/or neighbouring properties not directly impacted by transmission or generation infrastructure. This broader approach to benefits sharing has also been reflected in the practices of mature developers and more recently in jurisdictional REZ programs through requirements for contributions to community and regional funds. This is often treated as separate, and in addition, to developers own community contributions. The initiative to pool funds to achieve greater outcomes around community/regional benefits provides an opportunity to strengthen relationships with communities across regional Australia.

Critical to support this outcome and an area where further work on benefit sharing relates to the coordination and governance of these pooled benefit programs. Ensuring governance arrangements are streamlined and localised will see communities realise benefits and will support healthy relationships with infrastructure providers (also see Box 1 on the need for best practice approaches to voluntary planning agreements).

Clarifying the types of benefits that are best delivered through pooled funds and who is best placed to contribute to those funds (e.g. generation developers, network providers, government) would

helpfully guide coordination between the various parties involved in delivery of renewable infrastructure.

**Box 1: A best practice approach for voluntary planning agreements (VPAs) is needed**

Our experience with communities where there are VPAs with Councils indicate that there is a level of community uncertainty about the management of the developer- contributed funds.

We consider that a best practice approaches to VPAs are established so that proponents and communities participate with councils to ensure that funding is allocated where it will assist communities to build capacity, social cohesion, employment and economic development opportunities.

In some regions, where Councils span a wide area, communities that host projects may see funds being used in other locations within the LGA. Currently, VPAs are subject to negotiation and some Councils have indicated that they will manage the funds without input from proponents or communities.

**All energy infrastructure providers should seek to upskill to support engagement with First Nations people on renewable energy projects**

At the scale of development we are now seeing and anticipate in future, it is critical that energy infrastructure providers reflect best practice engagement with First Nation communities. The First Nation's Clean Energy Network, Best Practice Principles for Clean Energy Projects is a useful starting point. An emerging consideration in this area relates to issues of consent raised by some First Nations groups in the development stage of projects. As a lesser understood area, we would welcome further guidance consent; what it means and how it is applied on projects, and the suggested mechanisms for engaging and achieving consent with traditional owners.

If you would like to discuss this submission please contact Kath Elliott, Stakeholder Engagement Manager at: [kelliott@squadronenergy.com](mailto:kelliott@squadronenergy.com)

Yours sincerely,



Daniel Newlan  
Executive General Manager – Public Affairs  
For and behalf of Squadron Energy