



31 January 2024 Lodged via <u>Have your say portal</u>

Submission in response to proposed Bass Strait (Northern Tasmania) region offshore wind area

The Clean Energy Council (CEC) welcomes the opportunity to make a submission on the proposed Bass Strait area for offshore renewable energy projects as published by the Department of Climate Change, Energy, Environmental and Water (the Department).

The CEC is the peak body for the clean energy industry in Australia, working with over 1,000 of the leading businesses operating in renewable energy and energy storage. As the peak industry body for offshore wind, we represent 56 companies that are actively contributing to developing offshore wind in Australia, including publicly announced offshore wind projects alongside many more that are yet to be announced.

We are committed to accelerating Australia's clean energy transformation and recognise the critical role offshore wind will play in decarbonising the nation's electricity network. Offshore wind also creates a significant opportunity for investment and economic development: benefits will flow directly from the construction and operation of projects that feed electricity into Australian grids, while also supporting the growth of a hydrogen export industry, which has the potential to contribute to significant amounts of export revenue as our exports of coal and gas decline.

The proposed Bass Strait presents strong opportunity for the development of offshore wind and the CEC supports inclusion of this region, however, also supports consideration for broadening the area under consultation. The remainder of this submission will expand further on key considerations for assessing the chosen area as well as the arguments presented by the Department in supporting information as to why the Bass Strait region should be declared an area for offshore wind development under the *Offshore Electricity Infrastructure Act*.

The Bass Strait Region

The Bass Strait is well suited to support offshore wind in Australia as it has strong and consistent winds, and proximity to existing infrastructure. It also presents a strong opportunity for the Tasmanian economy through employment opportunities in both construction and ongoing maintenance phases, as well as supporting industries.

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Dimensions of the draft area

It is welcome to see the Bass Strait proposed region has the second largest dimensions of all proposed offshore wind areas in Australia, at approximately 10,136 square kilometres.

However, there is concern amongst industry that while a sizeable area has been selected for consultation, most of the proposed area has water depths that are suboptimal for offshore wind, being the depth range between 70 to 100 metres. These depths are currently not suited for either fixed bottom (as it is too deep for foundations and installation vessels) or floating turbines (as it is too shallow to be optimal for this technology). Analysis of the proposed area finds that approximately 8,518 square kilometres of the proposed Bass Strait offshore area fall within this suboptimal 70 to 100 metres range.

Currently, 60 metres is considered the maximum depth for fixed bottom offshore wind. Of the proposed area, there is only approximately 584 square kilometres of seabed that are less than 60 metres in depth – suitable for one project.

It is expected that as advancements in offshore turbine fabrication and installation vessel capabilities occur in the coming years, that this maximum depth will increase to 70 metres. However, there is only an additional 1,032 square kilometres in the 60 to 70 metre water depth range. This makes the total suitable area of seabed of the proposed area only 1,616 square kilometres – or enough for approximately two fixed bottom projects.

We share concern with our members that declaring such a large area that is suboptimal will risk decreasing interest in the Australian offshore wind market, as investment remains abroad in more suited conditions, and increases the risk of projects not reaching final investment decision due to increased costs resulting from suboptimal conditions and less mature floating turbine technologies. All of which could further exacerbate diminished community trust and concern regarding development of offshore wind energy in Australia.

To attract greater investment opportunities and increase likelihood of success for offshore wind in the Bass Strait, we would encourage the Department to broaden the declared area to include surrounding areas seabed that is less than 70 metres in depth. Analysis of this area presents opportunity for approximately 12,000 square kilometres of seabed within this range while still also maintaining a minimum distance of 20 kilometres from the Tasmanian mainland, and with exclusion zones for maritime traffic and orange bellied parrot migration routes.

We note that any increase or change in size outside of the proposed perimeter to the existing proposed area would result in re-consultation of the new proposed area, however we believe any additional time taken would be beneficial to the long-term success of establishing the Bass Strait offshore wind zone.

Restrictions on the area

We support the Department's decision to not apply height restrictions in the Bass Strait area. Restrictions on turbine heights, such as were applied in the Hunter region, limit the turbines that can be used, and in some cases, may make projects unviable as they are unable to obtain discontinued models of turbines from manufacturers that meet the requirements. As the industry progresses with haste, we must ensure that any areas declared to support this offshore industry can be developed in alignment with contemporary technologies and turbines.

Similarly, should any restrictions be applied based on environmental grounds, there would need to be paired with clear and detailed analysis that is shared with the industry.

Proximity to existing transmission and load

The success of the proposed Bass Strait area will rely on significant increase in transmission capacity, most suitably through the construction of both Stage 1 and 2 of the Marinus Link project, which would see two 750MW transmission cables constructed between Tasmania and Victoria. Alternatively, projects developed in the Bass Strait would need to connect directly into Victoria, which would be at a significant increased expense due to the need to provide transmission infrastructure over a much larger distance.

The CEC urges the Department as well as the Tasmanian and Victorian Governments to continue working together to ensure transmission capabilities connecting offshore generation into onshore networks are not overlooked in the early planning phases. Ensuring new transmission is built in advance of offshore developments will require coordination between government departments and network operators, and in consultation with developers. Ultimately helping to avoid delays in connecting offshore wind capacity.

This not just includes transmission planning to connect the offshore wind farms directly into the state grids, but to ensure that the additional capacity generated by offshore regions is well considered in long term planning of the National electricity market (NEM), via the Australian Energy Market Operators (AMEO's) Integrated system plan (ISP).

Support existing industry

As a pioneer for renewable energy in Australia and with established industrial hubs along the coastline, the Bass Strait offshore wind area will generate immense opportunity for Tasmanian communities for the long-term. It will also be a great compliment to the existing seaport and maritime services in the region.

There is also the prospect for the offshore wind industry to support development of future clean industries in the area, such as green hydrogen, which will contribute to high-quality jobs and stimulate economies within Tasmania.

Proximity to Ports

The proposed region is well located with access several ports which including Bell Bay, Devonport, and Burnie. If these ports are developed to support offshore wind, they could also play a role in supporting additional offshore wind zones, such as Gippsland and the Southern Ocean areas.

While upgrading of any or all these facilities would be required to accommodate offshore wind infrastructure, these well-established ports will be able to provide deep-water access and skilled maritime personnel to support delivery and ongoing maintenance for the offshore wind industry.

Additionally, Tasmania has several smaller regional ports which could support ongoing operations and maintenance activities for offshore wind farms in the proposed area, including at Bridport, Smithton, and Ulverstone.

The CEC would recommend consideration for how to best support development of offshore wind construction ports that would be required to establish offshore wind in the Bass Strait and Gippsland offshore wind areas as early in the development process as possible. Ports will be critical in achieving the national target of 82% renewable energy by 2030, and without early and proactive development of Australian ports, clean energy infrastructure will potentially face bottlenecks due to insufficient capabilities at import terminals, dramatically increasing project costs and delivery times, and deterring foreign investment.

The award process and other offshore regions

We recognise the extensive workload being undertaken by the Department, the Offshore Infrastructure Regulator and NOPTA to enable offshore wind deployment in Australia, which has already seen extensive interest from offshore wind developers both domestically and internationally. We are concerned however with the lack of clarity on timing of existing feasibility award processes and future offshore area opportunities.

Given the extensive timelines and substantial cost, offshore wind developers are eager for as much information as possible at the earliest time to ensure they make the best decision for their entity. With the Gippsland and Hunter Feasibility Licence award processes in train, along with other proposed areas still yet to be formally declared, it is challenging for developers to determine the suitability of additional regions such as the Bass Strait. The CEC and our members would welcome timelines for award for existing and future regions, as well as clear capacity guidance (proposed megawatts or square kilometres) for yet to be declared areas.

We also support the continued partnerships with Traditional Custodians of land and waters throughout the offshore wind area declaration and Feasibility Licence award process. Given the significant connections to sea country present in the Bass Strait proposed area, we see the ongoing consideration and engagement with Tasmanian Aboriginal communities as imperative to establishing an equitable and socially sustainable industry for the long term.

As always, the CEC welcomes further engagement from DCCEEW to discuss any of the information presented in this submission. Further queries can be directed to Morgan Rossiter at the CEC (mrossiter@cleanenergycouncil.org.au).

Kind regards,

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