

Submission
No 113

**INQUIRY INTO IMPACT OF RENEWABLE ENERGY
ZONES (REZ) ON RURAL AND REGIONAL
COMMUNITIES AND INDUSTRIES IN NEW SOUTH
WALES**

Name: Name suppressed

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Partially
Confidential

Submission to Inquiry into the impact of Renewable Energy Zones (REZ) on rural and regional communities and industries in New South Wales

This submission relates to our experience as landholders affected by the Hunter Transmission Project (HTP) and its proponent EnergyCo. HTP is a new 500kV transmission line to carry new generation from the Central West and New England REZ's from Bayswater in the Hunter Valley to the Olney State Forest west of Morisset in the Lake Macquarie area where it will join the existing transmission grid (to Sydney).

We are supportive of the transition away from coal fired generation as a general principle. Unfortunately, this support is tested by the nature of how this transition is occurring.

In noting the terms of reference for the committee, this submission will concentrate on

- item i) adequacy of community consultation and engagement in the development of Renewable Energy Zones (REZ) and associated projects and
- item d)i) Adequacy of compensation being offered for hosting transmission lines

Initial Engagement

We first became aware of the HTP when we discovered HTP consultants unknowingly trespassing on our property in September 2023.

When we enquired with EnergyCo directly as to whether this site assessment study part of options studies for assessment they responded that it was a preliminary corridor study – a much more advanced stage of planning.

When we met in mid-November 2023, EnergyCo representatives indicated the corridor was “all but fixed” through our property and that options studies had already been completed and the preferred route selected. When pressed they gave faltering and inconsistent answers to why the route was chosen. The rationale for route selection was not put to the public until approx. April 2024.

In summary, EnergyCo failed to

- advise potentially affected landholders that assessment works were being undertaken
- Seek property access from a number of landholders and stakeholder groups
- Consult or engage the community on the route selection process and outcome

Route selection

In meetings with EnergyCo, the often-purported line was that the timeline for HTP was tight and the need paramount due the impending closures of the coal fired power stations.

The route selection chosen for HTP goes through either

- Crown Land
- Mining Land
- State Forest
- Private Landholdings

This route sees the impact on private landholdings reduced to 25 landholders. From a customer and stakeholder engagement (CSE) perspective, this represents a significant reduction in risk and time as opposed to other alternate routes which would involve hundreds of property owners.

Whilst this is a good outcome for reducing risk and time, around 45% of the project will traverse through State Forests, which will result in the approx. 340 hectares being subjected to

- Partial or full loss of vegetation
- Loss of habitat
- Impact on endangered species
- Increased risk of erosion
- Increase risk of negative social impacts that the presence of large infrastructure attracts (rubbish, vandalism etc)

In summary, EnergyCo have failed the public by

- Choosing a route that represents the quickest outcome (but potentially not the best outcome) of transmitting the new power generation sources (Central West and New England REZ) to consumers
- Impacting 340 hectares of largely undisturbed lands containing significant ecology as opposed to choosing other routes where high levels of land disturbance has already occurred (we note the proposed HTP2 project will go through disturbed land but has a delivery date of 2032)

National and Global Forces

The need for HTP to be built urgently is predicated on Australian Energy Market Operator (AEMO) Integrated system Plan (ISP – subtitled a roadmap for Energy transition), which is released biannually.

The ISP lays out the timelines for the retirement and introduction of generation sources into the national energy market. Specifically in relation to coal fired generation it states

“Owners of all but one power station in the remaining fleet have announced retirements between now and 2051, with about half announcing retirements by 2035. This would continue the steady rate of retirement since the peak of installed capacity in 2012.”

“To meet government policy objectives, the ISP forecasts suggest that the remaining coal fleet will close two to three times faster than those announcements.” (AEMO ISP P 49)

The chief policy objective referred to is the Federal Government policy of a 43% reduction in 2005-level emissions by 2030.

By forecasting the early closure AEMO is modelling a “worst case” scenario to market and broader community that new generation is required urgently as evidenced by the following.

“The need for replacement capacity, and the ODP (optimal development path of generation and transmission) itself, are not affected by short-term postponements of coal power station retirements such as the recently announced extension of Eraring Power Station. If anything, that announcement delays the need for gas-fired generation and Renewable energy connected by transmission and distribution, firmed with storage and backed up by gas-powered generation is the lowest-cost way to supply electricity to homes and businesses as Australia transitions to a net zero economy. An optimal development path for reliability and affordability bolsters the case for the ODP’s transmission investments to support additional storage, solar and wind capacity” (AEMO ISP P49)

The pressure to meet the 2030 deadlines when combined with a “worst case” scenario, drives the narrative that we do must construct quickly. The HTP is evidence of this as alternate routes that had potentially lower impact on the environment were not considered due to the additional time required to undertake CSE and landholder acquisition.

The confluence of

- Imposed targets
- Insufficient planning
- The risk for coal fired generation to retire early

has led to HTP being a “build it quick” scenario to ensure the impending generation sources in the Central West and New England REZ can get to the national electricity grid.

In summary, the public has been failed by

- Governments through imposed timelines and poor planning

- EnergyCo through poor CSE

Customer and Stakeholder Engagement

By late 2023, it was made clear to us by EnergyCo representatives that whilst the route may deviate in other areas, there was no way it would deviate around our property. In fact, the route was down to a 400m wide corridor for the placement of the 70m wide easement.

In May 2024 we hosted EnergyCo representatives on our property for the unveiling of the typical design and tower placements.

Unfortunately, the design shown was impossible to build, with tower placements and access track over the edge of a cliffs and or not constructable. We requested design files (to which EnergyCo agreed), but they have never been received.

We had a follow up meeting in late July, where we noted concerns with the design due to the construction risks – EnergyCo design has a span of 1.2km long traversing our valley – and where assured that these concerns would be addressed.

As of 29.1.25, these concerns have not been addressed.

EnergyCo commenced the land acquisition process in September 2024. Under the proposed terms they could locate up to 3 towers on my property. The indicative designs shown to us had no towers on my property (but one immediately to the east in the state forest and one to the west in my relative's property). The terms proposed permit EnergyCo "free and full" use of the acquired land.

In short, they reserve the right to do what they want once they have acquired the land.

In NSW other transmission line acquiring bodies (TransGrid) undertake the development of property management plans concurrently with the acquisition process. These plans are developed as a mechanism for landholders to define requirements (fencing, gates, points of access, restriction times, property access and protocol etc).

By contrast, EnergyCo have no framework for this and have denied that this process should take place concurrently with acquisition negotiations.

In short EnergyCo's CSE can be characterised by

- Touching but not engaging
- Poorly researched and informed
- Lacking clarity in timelines
- Inconsistent information

As a landholder that works in the energy sector and has knowledge of the processes of large energy infrastructure, I am appalled that the experience that we have had is being replicated across NSW with landholders who are inexperienced with how energy projects operate.

In summary, EnergyCo have failed by

- Poor CSE
- Insufficient design to satisfy landholders concerns.

Compensation

Compensation for acquisition of land is done under the Just Terms Act. There is a current review of the Act.

Currently the Act sees

- Dispossessed owners funding their own legal, valuation and other specialist costs before seeking reimbursement at the point of settlement. Our experience to date has resulted in costs of 60k and it may rise as high as \$100k.
- Once an opening letter is issued parties have six months from the issue date to resolve compensation. However, it was 3 months between the opening letter and receiving the initial valuation -effectively leaving a negotiation period of 3 months. The Act should be amended to ensure that the initial offer is delivered in the opening letter to give both parties the actual 6 months of negotiation.
- The Act predetermines an adversarial approach from the acquiring authority Rather than undertaking negotiations with a view to assisting affected owners to manage and move on from this loss of their land, acquiring authorities often adopt an adversarial approach in which the affected owner bears the evidentiary (and often cost) burden of convincing the authority and its panel valuer of the reasonableness of its claim.

In our experience, this difficulty is compounded by:

1. the inherent negotiating imbalance between a large, experienced, well-funded government entity and a dispossessed landowner and
2. acquiring authorities' generally unconditional reliance on their own valuer and other experts, which leaves little room for meaningful negotiation or compromise in circumstances where reasonable, qualified expert opinions may differ as between the parties' experts.

Conclusion

In AEMO ISP 2024 it states

“Building social licence with communities is a real world, steady dialogue with communities to build understanding and trust, through sound processes, listening and responding. It takes into account the intrinsic commitments that communities have with each other (for example, the right for farmers to farm, rural communities to function harmoniously, and Aboriginal and Torres Strait Islander people to practice culture). Community acceptance of projects is fostered when organisations prioritise trust and deliver promised benefits.”

As an affected landholder we have experienced

- Inconsistent dialogue
- Increased mistrust as pronouncements were either incorrect or partially correct
- Failure to provide requested information
- Timelines were not adhered too
- Local knowledge ignored.

The impact of the rollout of renewables is required. The way it is being delivered, with haste and without due care for affected communities is manifestly wrong.