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Submission on Powerlink's roles in QLD REZ design and development

The Clean Energy Council (**CEC**) welcomes the opportunity to provide a submission on the how Powerlink should undertake its responsibilities as transmission network service provider (**TNSP**) and REZ Delivery Body (**RDB**) for QLD Renewable Energy Zones (**REZs**).

The CEC is the peak body for the renewable energy sector in Australia. We represent and work with around 1,000 businesses operating in Australia across solar, wind and hydro power, energy storage and renewable hydrogen. Many of our members have existing and proposed interests and development projects in QLD. Our mission is to accelerate Australia's clean energy transition.

Our responses to Powerlink's consultation document - [Initial input on Queensland REZ design and development considerations](#) – are provided below.

The CEC is supportive of the QLD Government and Powerlink's general approach to the development of REZs in Queensland. The concept of a 'market led' approach brings the potential for development of innovative solutions by harnessing the natural forces of the investment market.

However, as with any new reform or policy approach, there will be issues to be addressed along the way. In particular, given the focus on the role of the market to drive efficient projects, we consider it is particularly important that the QLD frameworks provide a reasonable allocation of risk between Powerlink and foundation generators.

If foundation generators are to take on the bulk of the project origination risk and bring projects to a relatively mature commercial state before the REZ declaration process commences, it is imperative on Powerlink to ensure there is a reasonable sharing of risks beyond that point. More generally, it is essential that foundation generators be provided with a straightforward process for connection and a clear value proposition for connecting in the REZ.

This submission provides a series of recommendations to enhance the market led approach being followed in Queensland. It has been developed in consultation with our members, while recognising that member views will vary depending on their individual commercial strategies.

As always, the CEC welcomes the opportunity to work closely with Powerlink and the QLD Government to facilitate collaboration and coworking.

1a. What are your overall views on the discussed approach to REZs for attracting investment?

1b. How does the approach best support fast project development timeframes?

1c. What are fit-for-purpose REZ objective/s?

We encourage Powerlink to consider how it can balance the flexibility and adaptability of the market led approach with delivering investor and developer certainty. Foundation investors must have certainty regarding their pathway for progression through the REZ connection process as well as a clear value proposition for moving first.

As such, clear risk sharing processes are important. If foundation generators are to bear the bulk of project origination risk prior to REZ declaration, a clear 'runway' must be made available to ensure that any prior investments made are recognised.

We also encourage Powerlink to consider how best to minimise the extent of deviation from the known NER frameworks and to provide clear reasoning where this is deemed to be unavoidable. We strongly encourage Powerlink to consider how the existing NER frameworks can be utilised, rather than developing bespoke arrangements. These deviations can increase complexity and uncertainty for investors.

For example, significant deviations from the NER Chapter 5 connection process can create uncertainties and complexities, both of which can slow down new investment. Where bespoke processes are unavoidable, Powerlink should focus on clarifying the process of transition from NER Chapter 5 processes to the REZ specific processes.

It is also critical to ensure that access fees are struck in a manner that accurately reflects the value to foundation generators of connecting in a REZ. Costs of REZ transmission infrastructure should not be borne primarily by foundation generators as this would materially erode the value of connecting in a REZ.

We recognise the references made by Powerlink in this consultation and in other processes to utilising existing NER arrangements, such as the system strength and DCA/DNA frameworks to facilitate risk sharing and cost allocation. We are supportive of development of further clarity in this area.

The rest of this submission offers some suggestions as to how the detailed elements of the QLD REZ frameworks might be clarified and adapted. In particular, the CEC recommends additional clarity be provided focused on the following elements of the QLD REZ framework:

- how projects transition from private, individually led development into a coordinated REZ development
- how connection processes and technical standards will be applied to assets connecting within a REZ
- the structure and magnitude of access rights and charges
- frameworks for sharing the cost of REZ transmission infrastructure between REZ generators – both foundation and later connecting parties – and Powerlink, recognising that any cost of transmission borne by connecting generators will ultimately be passed back to consumers through energy costs
- processes for controlled access for generators connecting outside of a REZ.

We also recommend further clarity be provided regarding the concept of REZ Objectives. Such an Objective is primarily a tool for policy makers to define how REZ frameworks will be

designed and how costs and benefits will be distributed. These Objectives should be designed with a view to delivering a stable investment environment and allowing developers to earn efficient returns on their investments. This will lead to long term benefits to consumers, as a stable pathway of project delivery will lead to lower electricity prices while maintaining reliability in the long term.

2a. What key considerations should we make to enhance the market-led approach?

2b. What are the pros and cons of progressing projects on a First-Ready First-Served basis?

2c. When is a project sufficiently mature to commit transmission access to?

2d. [additional CEC inserted question] What is the optimal approach to connection of one or more generators within a REZ?

As mentioned above, there are many elements of the market led approach that are conducive to effective investment and development of clean energy projects in Queensland. Adopting a flexible and adaptive approach to REZ development can support innovative solutions.

However, this flexibility and adaptability must be accompanied with clarity and certainty. This is best provided through clear processes for each foundation generator, recognising the specifics of individual developers and projects. Providing clarity and certainty in this manner will support efficient investment, without creating an overly burdensome and slow centralised processes.

Given that Queensland is focussed on smaller REZs based around one or two foundation generators, this need for certainty will be particularly critical in the lead up to each foundation generator reaching FID. Other key milestones where clarity must be provided ex ante include the establishment / declaration of the REZ itself, and/or when an existing connection / DNA transitions to becoming a REZ asset.

We consider there are several general areas where additional clarity would increase investor certainty and support a more effective transition overall in QLD:

What is the value proposition for foundation developers: We consider it would be helpful if further clarity was provided around the specific costs and benefits expected for foundation generators in the QLD REZ frameworks. For example, will a foundation generator receive greater congestion protection than subsequent connections? We consider that greater clarity regarding expected curtailment would need be provided to a foundation generator as it progresses into REZ development, in order to support that generator reaching financial close as quickly as possible.

On the cost side, we consider that foundation generators should not bear the full costs of REZ transmission infrastructure, especially that portion of the infrastructure which is built in the expectation of hosting future connecting generators. Rather, the costs of any such network build to host subsequent connections should be covered by Powerlink and potentially recovered from later connections and/or recovered from consumers.

We recommend Powerlink develop a clear description of value for foundation generators in each REZ, as early in the REZ development process as is possible, focussed on clarifying curtailment / congestion protection and the specific costs to be borne by that generator.

Certainty regarding network asset delivery: the QLD REZ model should be carefully planned to deliver efficient solutions to prevent delays on the new transmission infrastructure to be built by Powerlink. Developers in a REZ need certainty regarding the timing of delivery of REZ network assets by Powerlink.

As an example, CEC members have identified related issues arising in NSW, where REZ foundation generators face significant bonding costs as they pass various stage gates of the REZ connection process, but with no equivalent burden or obligation on the REZ developer to ensure that network assets are delivered on time to guarantee energisation and commencement of revenue by a certain date (other than some currently undefined forms of incentive regulation). This creates additional uncertainty for investors, in turn increasing costs for new developed projects.

Powerlink should consider what specific financial arrangements are appropriate to provide investors with confidence that REZ network assets will be delivered on a given schedule, to match those obligations faced by foundation generators. Liquidated damages provisions represent the standard approach; however, we welcome further consideration from Powerlink as to what other measures might be developed.

Rightsizing REZs to maximise efficiency: The correlative to the above two points is how to ensure that REZ assets are designed in a manner that is overall efficient. Specifically, how can scale economies be most effectively harnessed to ensure that overall network build is optimised, with a view to expected future connections and required hosting capacity.

The CEC considers the cost of rightsizing REZs must not sit with foundation generators. It would not be equitable or efficient to require foundation generators to bear these costs – doing so will simply dissuade first movers and / or markedly increase investment costs, which will be passed on to consumers.

Instead, Powerlink should fund these costs¹, with mechanisms to recover them – or a portion of them – from new connecting parties in the first instance. Should there be any shortfall in the costs Powerlink incurs and charges paid by REZ participants (for example if a REZ is not fully subscribed, despite demonstrated best endeavours to do so), we understand that the Queensland Government, as Powerlink's shareholder, has several options at its disposal, including:

- allowing Powerlink to absorb the additional costs (reduced dividend);
- allowing Powerlink to reinvest a portion of its dividend or provide further equity;
- passing through the costs to electricity customers via TUOS as a last resort².

What is the process for transition from Chapter 5 to the REZ specific frameworks: The consultation paper does a fair job in describing the various transition points from the NER based Chapter 5 frameworks to the REZ specific frameworks. However, significant uncertainty remains.

For example, we consider that the transition pathway for parties currently going through the connection agreement (CA) negotiation process remains uncertain. The CA negotiation process is a long and complex one, with multiple components including finalising financing, engaging Engineering, Procurement and Construction (EPCs) and Original Equipment

¹ These costs can be managed by Powerlink using concessional finance, accessing lower interest rates and having flexible repayment structures to bolster cash flows during the initial subscription period for the REZ. This was the approach that Powerlink and the [CEFC announced for the financing of the Southern Downs REZ](#) and has been elaborated by Paul Simshauser in his [paper](#) on the 'super-sized concessional mezzanine' facility.

² There is a mechanism under section 70 of the *Energy (Renewable Transformation and Jobs) Act 2024 (Energy Act)* for Powerlink to be reimbursed from additional charges levied on customers,

Manufacturers (OEMs) as well as undertaking Generator Performance Standards (GPS) modelling. Any uncertainty as to how this long and complex process will transition into an, as yet, undefined REZ specific process will be inherently problematic and is likely to materially delay projects that would otherwise progress. This will be further compounded by any uncertainty regarding eligibility criteria for specific REZs.

Any uncertainty regarding the transition to the REZ framework - including the REZ connection process, eligibility criteria and the uncertainty in REZ boundaries – may slow down investment and development in earmarked REZ areas. Some developers may hold off on commencing the connection approval process as they may be directed to follow another connection approach in the future, or not be permitted to proceed with their project, if their project is declared within a REZ, thereby wasting money, time and effort.

Members have advised this may already be occurring, with connection enquiries delayed in areas earmarked as potential REZs, as further clarity is waited for on REZ schemes design.

We note that Powerlink has advised it will provide communications to clarify this transition process. We consider these communications should be as detailed as possible, in order to minimise uncertainty for investors and developers.

More broadly, we consider all existing access related applications, agreements, and rights (including conditional Designated Network Asset (DNA) and access rights) should be honoured irrespective of whether a developer meets the REZ eligibility criteria to maintain and enhance investment certainty and to encourage developers to become the first mover in a potential REZ region.

First Ready – First Served approach

Powerlink has also asked for views on the First Ready – First Served approach. The CEC recognises the merits of this approach, on the basis that it rewards those projects that move through CA processes and secure financing expeditiously. This approach is also familiar to developers currently active in the NEM and is therefore likely to enjoy a degree of support.

However, the first ready first served approach also brings with it the risk of unintended consequences. In particular, depending on what milestone thresholds are set by Powerlink to define “first ready”, developers will face strong incentives to rush the GPS negotiation process.

As we have found through the three years of the Connection Reform Initiative (CRI), one of the best ways to improve the efficiency of the connection process is to allow all parties sufficient time to approach this process through the lens of good engineering judgement. Project developers, network service providers (NSPs) and AEMO must already strike a difficult balance between the need for a technically sound GPS negotiation process against the commercial imperative to reach energisation. New incentives to pass a specific milestone by a certain date will only compound the complexity of this balancing act, potentially unwinding some of the positive developments we have seen flow from the CRI in recent years.

The CEC therefore recommends Powerlink consider how to account for these incentives when choosing the specific details of implementing the market led approach. For example, in REZs where there are multiple high quality candidate generators who would compete to secure First Served status, some form of coordinated approach may be more appropriate.

The First Ready – First Served approach may also disadvantage larger, more complex projects that require longer development times, even if they ultimately provide more significant benefits.

Alternatively, to avoid wasting developer time and effort, a winning party could be selected much earlier on in the development process – such as through an auction. This would avoid the situation where multiple developers expend significant resources progressing a project, only to have the project collapse because a competitor has managed to hit the ‘First ready’ threshold a day earlier.

An auction process would also have the benefit of providing greater certainty to communities about which projects are likely to proceed and which are not, and to ensure that the best projects go ahead. Many REZs are likely to have more MW of proposed projects than hosting capacity – this means that not all proposed projects will be able to be built. However, communities are often concerned about the potential for a very large number of proposed projects being built. This concern could be reduced by providing for a transparent process that leads to a clear list of projects that are or are not going to proceed.

Connection processes and retuning

Processes for connection of generators to a REZ have proven to be one of the most complex elements of REZ design.

We encourage Powerlink to utilise existing NER processes to the greatest extent possible and adopt a proactive and transparent approach to how it will undertake the necessary technical studies to connect generation to REZs, as well as what retuning exercises incumbent REZ generators can be asked to undertake.

Minimising deviation from NER Chapter 5 connection processes and access standards wherever possible: As highlighted previously, the CEC’s general position is that deviations from the existing NER connection process should be minimised wherever possible. These processes are well understood by developers – any deviation is likely to bring additional complexity and uncertainty and increase costs / delay projects.

Powerlink should therefore minimise deviation from the other elements of the NER Chapter 5 connection and access standards process. While these processes are not perfect, they are nevertheless well understood by industry and are being further clarified as part of the Connection Reform Initiative workstreams in new and updated documentation, and, as a result, are likely to minimise complexity and time spent in connection processes.

Major deviations from the NER represent risks for investors, developers, and OEMs. We also note that, in our view, deviation from the range of performance negotiated under 5.3.4A, as well as the specific generator access standards set out in Schedule 5, has not necessarily delivered a faster or more effective connection process in other states.

Retuning of foundation generator responses to accommodate subsequent connections: It appears that foundational developers may be requested to undertake further amendments or retuning of its GPS and responses after other REZ developers have been identified – ie, a collective retuning exercise to take into account the performance of all participants for the REZ (as contemplated by section 55(2)(a)(ii) of the Energy Act).

A generator should be compensated for the costs of collective retuning if this results after GPS and plant responses have been agreed with Powerlink either under the chapter 5 NER process or the REZ framework process.

Contestable transmission connections: Clarification is needed as whether:

- contestable transmission services outlined in clause 5.2A.4 of the NER will remain contestable under the REZ framework for connections into a REZ, and
- a project which elects to use a third party (rather than a Powerlink) to provide contestable services for connections into a REZ under Chapter 5 of the NER will be able to transition to a REZ framework (and will not later be precluded under the eligibility criteria).

3a. Reflect on the list of publishable documents and interactions between Powerlink and proponents outlined in the Discussion section, is this sufficient to ensure investment confidence?

The CEC has no particular view on these documents, other than to note that as much ex-ante clarity and guidance should be provided as possible.

Developers need specific transmission-related information to decide whether to participate in a REZ. Developers should be given this specific transmission-related information as soon as it is available (even if it is provided separately from the REZ management plan in the first place).

Regular updates on grid capacity, connection timelines, and detailed technical data are necessary for investment confidence. This is important for REZ and non-REZ projects. Detailed and timely data on grid availability and integration costs should be made accessible to all projects, both within and outside REZs, to support informed decision-making.

4a. Considering the project configuration/mix set for a given Queensland REZ, what should be considered in and influence the mix of generation and how it is specified?
4b. Do you agree or disagree that there is merit in a wind bias in near-term Queensland REZ developments?

These considerations are best resolved by AEMO, working closely in conjunction with Powerlink as jurisdictional planning body.

Having said this, when determining the relative mixes of technology across the QLD REZs, Powerlink should consider the close interactions between wind/solar ratios, different forms of energy storage and exposure to different forms of reliability at risk periods.

As the CEC noted in our recent report on Long Duration Energy Storage³, relative penetrations of wind generation to solar generation in turn shift reliability risk exposure of the system from diurnal ramp / peak demand periods, towards more seasonal reliability at risk periods. This in turn requires different mixes of energy storage, particularly in terms of duration and carrying capacity of those storage assets.

5a. What is your preferred option to mitigate the impacts of system strength? (BYO, SSUP, Integrated Common Use, Unsure/Depends)

There is no simple answer to this question, other than to note that all options should be considered as applicable.

For example, we note that in some instances it may be most efficient for a connecting party to bring an individual system strength remediation solution, such as installing a grid forming

³ CEC, *The Future of Long Duration Energy Storage*, June 2024.

battery or syncon, or contracting with a third party for system strength services. We note that this approach was precluded in NSW, potentially increasing costs as the full range of system strength solutions may not be identified.

As the CEC identified in its recent report on the System Strength frameworks⁴, a number of issues remain to be addressed with these frameworks. Powerlink should consider the status of these issues and their resolution, when deciding whether to apply the national frameworks for TNSP provided system strength.

We are also unclear as to exactly what is meant by “integrated common use” solutions. ***If this refers to a privately funded asset*** that sells various essential system services (including but not limited to system strength) back to Powerlink, as well as to REZ generators, we consider this could be a good way of reducing total costs of REZ development.

Note finally that we consider issues remain with the definition and calculation of system strength requirements in the AEMO System Strength Methodology - such as by setting excessive and unnecessary minimum fault level requirements based on retrospective analysis of system needs, or by the inclusion of non-system strength phenomena such as general voltage stability or power system quality in the definitions of system strength. Inclusion of these other phenomena and system requirements is likely to inflate the system strength unit prices (SSUP), in turn incentivising connecting generators to self remediate. Powerlink should consider these incentives when deciding whether or not to use the centralised system strength frameworks when developing REZs.

6a. What does good look like in terms of REZ access fees?

In line with our answers to question 2 above, REZ access fees must be clearly linked to the value proposition inherent in REZ connection. This requires a balance to be struck between:

- The benefits that accrue to REZ foundation generators, primarily related to congestion protection, but also including faster and more certain connection processes and potentially any benefits accruing regarding coordinated community benefit sharing / social licence; and
- The costs of participating, primarily being the level of the access fee itself, based on the whether the fee is intended to recover the cost of all, a portion or none of the primary REZ transmission and supporting infrastructure.

The former is discussed in more detail below. The latter is currently the primary uncertainty in affecting the QLD REZ framework. Based on the paper, its currently unclear what the magnitude of access charges will be and what assets they will be levied against.

The willingness of investors to fund an asset in a REZ comes down to a simple consideration of value for money. It is therefore imperative that the QLD Government and Powerlink provide clarity to foundation developers regarding the nature of the access fees that will be levied on parties connecting in a REZ, as well as confirming exactly what those investors will get for their money.

⁴ CEC, Fixing the system strength frameworks, March 2024.

The CEC considers that requiring foundation generators to fund the entirety of a REZ transmission asset designed to host both the foundation generator as well as later connecting generators could well result in costs that outweigh any benefits of connecting in a REZ.

We therefore encourage Powerlink to find an equitable approach to sharing the costs of REZ infrastructure, as discussed at paragraph 2 above. Powerlink is better placed to absorb the incremental costs upfront for future-proofing the infrastructure beyond the foundation customer and carry the undersubscription risk. Powerlink should make clear each generator's contribution to the REZ eg whether the generators would only pay for their own use of the infrastructure assets.

We also note that decisions on the quantum of access fees need to be made in the context of any government expectations or requirements around benefit-sharing and community contributions. Each of these sums contribute in different ways to the Queensland economy, but come from the same source: individual renewable energy projects. Higher access fees likely have the effect of reducing the funds available for benefit-sharing schemes.

7a. How would you evaluate your congestion and curtailment in a REZ context?

7b. Will the inclusion of a planned (but not guaranteed) REZ curtailment level encourage or discourage project investment confidence and decisions?

7c. As a REZ-project, how would you additionally evaluate the risk of curtailment and Marginal Loss Factors outside of the REZ?

7d. In what circumstances do you think REZ controlled assets would be appropriate

While individual members will have perspectives based on their own investment strategies, the CEC's perspective is that the primary benefit of connecting in a REZ is that uncertainty regarding future congestion and physical curtailment is translated from an undefined uncertainty, into a quantifiable risk. A faster and more predictable connection process may also form some benefit, although care must be taken to avoid inadvertently increasing complexity - as explored earlier in this submission.

Connecting in a REZ does not eliminate potential future congestion and curtailment. However, by introducing a clear ex-ante limitation on future levels of curtailment by imposing clear physical limits on other connections in the electrical vicinity, REZ generators are better able to quantify the risk of curtailment – at least as locally defined - and make better investment decisions.

There are several factors relevant here.

Metrics and links to physical limits: ex-ante metrics can be developed to define and quantify the expected level of curtailment that a REZ foundation generator can reasonably expect. In other jurisdictions, this approach has been set as a REZ wide limit that applies for the life of the asset, however we recognise that this may not be consistent with the smaller REZ, market led approach being pursued in QLD.

Different developers will value this congestion risk management differently. Some are likely to prefer to 'front end' congestion management to the first 10-15 years of an asset life, recognising the decreasing NPV of managing congestion risk over the asset life, as well as the fact that congestion in the out years of an access agreement is likely to increase anyway. Others may prefer to lock in a single value at FID and have this apply to the life of the asset, even if the upfront cost of doing so is greater.

Powerlink should look to tailor congestion relief to each foundation generator on a case by case basis, recognising the different risk appetites and commercial strategies of each.

Links to build out of new infrastructure: Where new connecting parties can create 'headroom'- ie, actively reduce the amount of curtailment in the REZ - mechanisms should exist to incorporate this into the curtailment metric and attribute that additional reduction in curtailment to the relevant connecting party.

Role of storage: Storage assets can play a key role in relieving congestion in a REZ. We consider that these attributes of storage assets must be clearly recognised, potentially by allowing storage assets to connect to a REZ with a discounted access fee. The ongoing trend of hybridisation of solar with storage should also be recognised in access charges and impacts on maximum curtailment values.

External congestion / REZ controlled assets: Transmission assets that materially affect the capacity or functioning of the REZ (that are outside the REZ or inside the REZ but not part of the 'REZ transmission network') will be identified as controlled assets in the REZ management plan: see section 57 of the Energy Act.

We support the identification of "controlled assets" inside and outside of REZs for a limited duration (for the period access rights are granted under the REZ). However, we consider that a project outside a REZ should be able to connect to those controlled assets provided the project:

- does not impose undue incremental network curtailment on existing and planned REZ generators (which is to be assessed using quantitative measures); or
- can mitigate their impact on the level of curtailment faced by REZ generators by funding minor network augmentations and/or investing in storage.

Similarly the Victorian access regime permits connections outside of REZs looking at impacts on a case by case basis.

We consider sufficient notice must be given to the market where a particular part of the shared transmission system is to become a REZ controlled asset. This is essential as there may be multiple projects progressing through connection applications in regions declared as controlled assets. Any such parties should be allowed to continue to connect, as to interrupt multiple projects in this manner will markedly increase uncertainty. More generally, this situation can be avoided if the intent to declare a particular line a REZ controlled asset is signalled in advance of when it is due to occur (preferably by several years).

Finally, we note that the declaration of REZ controlled assets should not remove the primary responsibility on Powerlink to build out infrastructure which will remove intraregional constraints.

Treatment of MLFs: Marginal loss factors (**MLFs**) are the other key uncertainty affecting new generation investment. REZ connections can provide additional benefit to foundation generators if they can somehow act to moderate year on year changes in MLFs, or otherwise reduce the impact of MLFs for REZ connected generators.

Impact of meshed vs radial REZs: We note that Powerlink has considered both radial and meshed designs for its REZs. The CEC does not have a position as to which of these designs are favourable however for each we make the following points:

- **Meshed REZ:** Noting the increased complexity of congestion – through more complex interactions and impacts on constraint coefficients - that can occur in a meshed REZ, we encourage Powerlink to undertake extensive ex-ante modelling of how curtailment of REZ connected generators may change within a meshed REZ. This analysis should consider different flow paths and impedance changes associated with different combinations of new connecting generators, with a view to limiting curtailment affecting REZ connected generators
- **Radial REZ:** While curtailment issues are likely to be more manageable and predictable in a radial REZ, the impacts of increased contingency sizes – ie, the loss of the entire REZ – may be more material. These costs of managing these contingencies could be significant, including upfront additional capital works – building additional circuits or contracting a large SIPS – or impose additional operational costs – such as procuring additional FCAS volumes. These costs should be borne by Powerlink as part of its shared network costs and recovered from customers, or through AEMO market charges for FCAS.

8a. How do you demonstrate best practice approaches to community engagement and investment to support social licence across both the generation and transmission aspects of your projects?

The CEC developed the Best Practice Charter for Renewable Energy Projects⁵ as a voluntary set of commitments for members to clearly communicate the standards that signatories will uphold in the development of current and new clean energy projects.

The Charter outlines a commitment to engage respectfully with the communities in which they plan and operate projects, to be sensitive to environmental and cultural values and to make a positive contribution to the regions in which they operate. The CEC currently has around 60 members as signatories to the Charter.

The CEC is about to introduce an annual reporting requirement for Charter signatories. These annual reports will be published, helping to create an ever-evolving database of industry practices. This will provide transparency and accountability around industry performance, while disseminating across industry clear examples of 'best practice', which serve as an incentive towards continuous improvement by individual proponents.

The Federal government is looking to develop nationally consistent community engagement standards. We strongly support this process. It will provide certainty to developers about what they should be doing, and provide certainty to communities about what they can expect from industry.

On “investment to support social licence”, it is important to note that social licence cannot be purchased: the reason benefit-sharing funds generate acceptance by communities is because of the relationship they facilitate, not because of the money they outlay. Planning and delivering benefit funds requires the developer and community representatives coming together and discussing how the community wishes to benefit from the energy transition. To deliver funds in a way that benefit communities, developers must also comprehensively research and understand community stakeholders. It is knowledge and relationships that are facilitated by the benefit fund

⁵ *Best Practice Charter for Renewable Energy Projects*, The Clean Energy Council, last updated August 2021

that results in positive attitudes towards a project, not necessarily the quantum or outcome of funding.

As always, Clean Energy Council welcomes further engagement with Powerlink on its roles in QLD REZ design and development. Further queries can be directed to Diane Staats at dstaats@cleanenergycouncil.org.au or Tracey Stinson at tstinson@cleanenergycouncil.org.au

Kind regards

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