

EnergyCo

Delivering community benefits in NSW Renewable Energy Zones



Published by Energy Corporation of NSW, NSW Treasury

energyco.nsw.gov.au

Title: Delivering community benefits in NSW Renewable Energy Zones

First published: October 2023

Cover image: Aerial view of Wellington.

Copyright This publication is protected by copyright. With the exception of (a) any coat of arms, logo, trade mark or other branding; (b) any third party intellectual property; and (c) personal information such as photographs of people, this publication is licensed under the Creative Commons Attribution 3.0 Australia Licence. The licence terms are available at the Creative Commons website at: creativecommons.org/licenses/by/3.0/au/legalcode NSW Treasury requires that it be attributed as creator of the licensed material in the following manner:

© State of New South Wales (NSW Treasury), (2023)

Permission to use Subject to the Creative Commons Attribution 3.0 Australia Licence, you may copy, distribute, display, download and otherwise freely deal with this publication for any purpose provided you attribute the Energy Corporation of NSW and/or NSW Treasury as the owner. However, you must obtain permission if you wish to charge others for access to the publication (other than at cost); include the publication in advertising or a product for sale; modify the publication; or republish the publication on a website. You may freely link to the publication on a departmental website.

Disclaimer The information contained in this publication is based on knowledge and understanding at the time of writing (October 2023) and may not be accurate, current or complete. The State of New South Wales (including the Energy Corporation of NSW and NSW Treasury), the author and the publisher take no responsibility, and will accept no liability, for the accuracy, currency, reliability or correctness of any information included in the document (including material provided by third parties). Readers should make their own inquiries and rely on their own advice when making decisions related to material contained in this publication.

Acknowledgement of Country

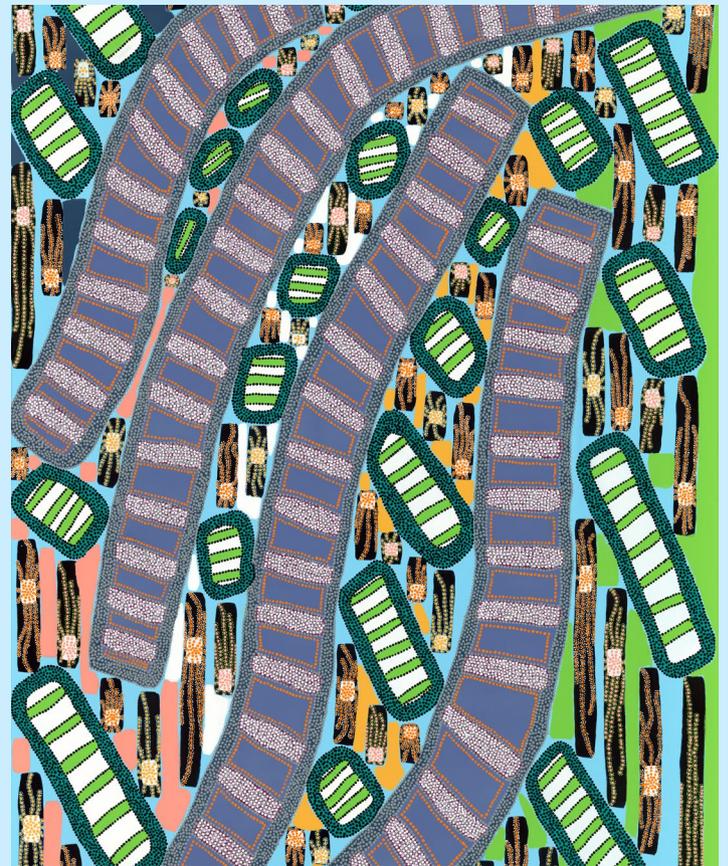
We acknowledge that Aboriginal and Torres Strait Islander peoples are the First Peoples and Traditional Custodians of Australia, and the oldest continuing culture in human history.

We pay respect to Elders past and present and commit to respecting the lands we walk on, and the communities we walk with.

We celebrate the deep and enduring connection of Aboriginal and Torres Strait Islander peoples to Country and acknowledge their continuing custodianship of the land, seas and sky.

We acknowledge the ongoing stewardship of Aboriginal and Torres Strait Islander peoples, and the important contribution they make to our communities and economies.

We reflect on the continuing impact of government policies and practices, and recognise our responsibility to work together with and for Aboriginal and Torres Strait Islander peoples, families and communities, towards improved economic, social and cultural outcomes.



Artwork: Regeneration by Josie Rose



Message from the Chief Executive

NSW is moving towards an energy system based on renewable energy generation, backed by storage, and connected to regions and cities by new transmission infrastructure to replace retiring coal-fired generation.

Communities and businesses across NSW will all play a part in, and benefit from, this transformation to a cleaner and more reliable energy supply.

EnergyCo recognises the critical supporting role regional communities will have in hosting the new energy infrastructure that will power the State into the future.

This historic investment in regional energy infrastructure also brings significant opportunities for regional NSW.

EnergyCo is committed to delivering new energy infrastructure under the NSW Electricity Infrastructure Roadmap (the Roadmap), including Renewable Energy Zones (REZs), in a way that minimises impacts and maximises benefits to local communities.

This document sets out our plan to make sure regional communities see lasting, tangible benefits from the energy transformation.

Consultation with communities and stakeholders has played a key role in developing community benefit initiatives to date and they will continue to be tailored to the unique needs and priorities of different communities across the State where new energy infrastructure is built.

We appreciate ongoing input from landowners, community groups, councils, agencies and other stakeholders through this process. We recognise the critical role these relationships will play as we deliver the REZs and other priority projects under the Roadmap.

This is an exciting time for the NSW electricity system and consumers, and we look forward to seeing the benefits realised in REZ communities as work progresses.

James Hay
Chief Executive, EnergyCo

Contents

NSW's energy system is transforming	6
Key benefits	8
Our commitment to communities	9
Benefits for landowners	10
Benefits for local communities	12
Supporting agriculture and land use	14
Coordinating delivery of the REZs	16
Identifying community initiatives	17
Opportunities for local workers and businesses	18
Roads and transport	19
Housing and accommodation	20
Community infrastructure and services	21
Improvements to mobile and internet connectivity	23
Strategic biodiversity initiatives	24
About EnergyCo	25

NSW's energy system is transforming

EnergyCo is supporting the shift to renewable energy resources in NSW by coordinating investment in REZs across the State.

The Roadmap is the NSW Government's plan to transform our electricity sector into one that is affordable, clean, and reliable. It sets out a coordinated way forward to achieving a target of at least 12 gigawatts of renewable energy generation, and two gigawatts of long-duration storage by 2030.

Most of this new energy infrastructure will be built in regional NSW, including in REZs, where our best natural energy resources are located.

REZs group renewable energy generation (such as wind and solar) and storage (such as batteries and pumped hydro) in geographic locations where it can be efficiently stored and connected to power our regions and cities. Five REZs have been identified so far in the Central-West Orana, New England, South West, Hunter-Central Coast and Illawarra regions of NSW.

The two largest zones are in the Central-West Orana and New England regions. These REZs also need new transmission infrastructure to connect new generation and storage to the existing electricity grid.

REZs will help deliver reliable and affordable energy for NSW energy consumers as some of the State's coal-fired power stations come to the end of their scheduled lives.

EnergyCo wants to see this significant economic investment in regional energy infrastructure maximised to deliver lasting, positive outcomes which make a real difference to the regional communities who play a vital role in hosting it.

EnergyCo is working closely with communities, industry, regional stakeholders and government partners to realise these outcomes, and ensure they are tailored to the unique needs and priorities of locals.

This includes developing community and employment benefit programs that provide dedicated funding for community projects and deliver tangible, long-term outcomes for regional communities.



Existing solar project near Wellington.



Key benefits

The Roadmap and the REZs will deliver a range of benefits for communities in NSW.



Hundreds of millions of dollars for community and employment benefits in the REZs for local communities that are hosting renewable energy infrastructure.



New income streams for landowners from lease payments for hosting renewable energy infrastructure, including wind and solar projects.



Additional **landowner payments of \$200,000** per kilometre of new transmission lines hosted, subject to Consumer Price Index (CPI) and paid out in annual instalments for a period of 20 years.



Employment and training programs to promote job opportunities and the use of local content, goods and services.



The REZs will help **contain electricity costs** and **improve the reliability of energy supply** for communities across NSW.

Our commitment to communities

EnergyCo is working closely with local communities and key stakeholders as we develop REZs. We are committed to early, proactive and genuine engagement to ensure community input informs our planning for new network infrastructure projects and coordination of REZs.

Community benefit initiatives are an important focus of our consultation activities to date. We seek feedback through various channels, including:

- community working groups
- First Nations working groups
- feedback and surveys in REZ communities
- intergovernmental and council steering committees
- landowner consultation and community information sessions.

We will continue to seek feedback on a regular basis to understand the types of benefit sharing initiatives people would like to see in their communities.

NSW community engagement snapshot



4,500 community and stakeholder interactions across the REZs and priority projects



730 meetings with landowners, communities, local organisations and stakeholder groups



44 engagement sessions and pop-up events in local towns



120 meetings with local councils.

*Engagement from January 2022 – June 2023.



Dundedoo town centre.

Benefits for landowners

EnergyCo is delivering initiatives to ensure landowners share in the benefits of the once-in-a-generation economic opportunity presented by the energy transition.

Hosting transmission projects

The NSW Government has established a Strategic Benefit Payment Scheme, which will see private landowners hosting new critical high voltage transmission projects paid a set rate of \$200,000 per kilometre of transmission hosted, subject to CPI and paid out in annual instalments over 20 years. This is in addition to the compensation landowners are entitled to under NSW land acquisition legislation.

The Scheme is the first of its kind in Australia and recognises the NSW Government's commitment to building a modern grid that maximises benefits for communities and households.

For information about the scheme visit energyco.nsw.gov.au/community/strategic-benefit-payments-scheme

Hosting energy generation and storage projects

Hosting energy projects (such as solar and wind farms) can also help to provide new and diversified income streams for landowners. Under the Roadmap, landowners could receive an estimated \$1.5 billion in lease payments over the next 20 years.

Neighbouring landowners

EnergyCo acknowledges that communities are concerned about potential amenity and environmental impacts associated with new energy infrastructure, including transmission lines.

The NSW Government is developing guidelines for assessing the impact of major new transmission lines, including considering payments to address significant residual visual impacts on nearby landowners.



Cows in paddock near Armidale.



Farmland near Gulgong.

Benefits for local communities

EnergyCo is developing a community and employment benefit program to ensure regional communities receive long-term benefits from the renewable energy transition.

EnergyCo recognises the critical role of regional communities in the delivery of a modern electricity grid for NSW, including hosting new transmission lines, energy hubs, renewable energy projects, and related infrastructure.

We are developing a community and employment benefit program that aims to contribute to the long-term prosperity of REZ communities and put regions in a better position than they were prior to the energy transition.

The state-wide program is expected to be established in late 2023. Funding arrangements will then begin for the Central-West Orana REZ in early 2024 with the other REZs to follow.

The program will include a range of projects and initiatives that will provide benefits to REZ communities.

We understand that the local people who live and work in regional NSW know what is best for their community. We are committed to working with local communities, councils, First Nations organisations and other key stakeholders to help shape the community benefit initiatives we plan to deliver.

Gulgong town centre.

Potential initiatives under the community and employment benefit program

Types of community projects and initiatives delivered in the program could include:

- public or community services or infrastructure
- health services or infrastructure
- accommodation or housing
- local or regional energy programs or infrastructure
- environmental programs or infrastructure
- parks and recreation infrastructure
- education programs or research
- arts or cultural programs
- tourism programs or infrastructure
- services, programs or infrastructure for First Nations people
- other services, programs or infrastructure that benefit the relevant local community.

Types of employment projects and initiatives delivered in the program could include:

- employment programs and associated services and facilities
- skills and training programs and associated services and facilities
- programs, services or facilities that support the relevant employees to gain employment skills or experience relevant to employment.

The program will aim to:



Improve people's lives in regional communities by supporting better access to health services, housing and accommodation, telecommunication connectivity and other public services and infrastructure.



Foster community connection by making it easier for people to access quality sport, recreation and other community facilities, as well as arts and cultural programs that bring people together.



Create local employment opportunities through training and skills programs or infrastructure.



Boost resilience and innovation through community energy programs and environmental improvement programs.



Improved outcomes for First Nations people through provision of additional services, infrastructure and programs to support First Nations people.



Support regional economic development through tourism programs and infrastructure and legacy projects that provide enduring benefits for host communities.

Supporting agriculture and land use

EnergyCo understands the importance of agriculture to REZ communities and the NSW economy. The REZs are being developed to minimise impacts to existing land uses and support agricultural activities in the regions.

Transmission projects

New transmission infrastructure is being designed to minimise potential land use and property impacts. Wherever possible, we are avoiding areas of high agricultural value in planning new transmission corridors, including Biophysical Strategic Agricultural Land (BSAL).

Community feedback forms a critical role in the transmission route selection process. We are working with potentially impacted landowners from the initial planning phase to understand local sentiment about where transmission infrastructure should be placed.

Where transmission lines cross private property, we are working directly with landowners to ensure agricultural activities can continue with minimal impact. Overhead transmission lines allow most activities to continue as normal within transmission easements, with some restrictions for safety and operational reasons.

Generation and storage projects

Solar, wind and storage projects can provide farmers with new, long-term income streams alongside existing agriculture and land uses. Renewable energy projects can complement farming practices through ‘agrivoltaics’, such as sheep grazing or cropping underneath solar panels.

NSW Agriculture Commissioner's review

The NSW Agriculture Commissioner recently led a review of the policy framework for managing issues and opportunities from the expected growth in the renewable energy and agricultural sectors in NSW.

The NSW Government released its response to the review in March 2023. The response reaffirms the government's commitment to accommodating a range of land use priorities alongside renewable energy development and recognises the driving role that the agriculture industry plays in the economy. It includes direct responses to each of the recommendations made by the Commissioner and lists actions carried out to date by the NSW Government to proactively deal with the issues addressed in the review.

Further information is available to view on the Department of Primary Industries website at dpi.nsw.gov.au/agriculture/lup/nsw-agriculture-commissioner



Cows grazing along a transmission line near Armidale.

Coordinating delivery of the REZs

EnergyCo is working closely with a range of stakeholders to coordinate investment in the REZs and ensure long-term benefits are delivered to communities who are hosting energy infrastructure.

We have heard that managing cumulative impacts from renewable energy projects is a key priority for REZ communities. A collaborative approach will be required from councils, developers, government agencies and other parties to coordinate and address the impacts.

As Infrastructure Planner for the REZs, EnergyCo is engaging with a range of partners to deliver the zones and is coordinating a whole of government approach to address both REZ-wide impacts and opportunities.

Information about REZ coordination can be found on our website at energyco.nsw.gov.au/community/coordinating-delivery-renewable-energy-zones

Priority topics



Opportunities for workers and businesses



Roads and transport



Housing and accommodation



Community services and infrastructure



Mobile and internet connectivity

Coordination in the Central-West Orana REZ

EnergyCo has established a Central-West Orana REZ steering committee made up of impacted councils and other NSW Government agencies to provide oversight and management on a range of REZ-wide topics.

Identifying community initiatives

EnergyCo has been engaging directly with communities and key stakeholders since early 2022 to identify priority initiatives and solutions that provide long-term benefits to REZ communities. This work program is community led and our key steps are outlined below, with an indicative timeline for the Central-West Orana REZ.



*Indicative delivery timeline for the Central-West Orana REZ.

Opportunities for local workers and businesses

EnergyCo is working with communities, industry and government on ways to coordinate local employment and business development opportunities in the REZs.

Employment and training

With many of the required skills for the renewable energy sector already in high demand, there is opportunity to build local workforce capabilities and local employment within REZs.

The NSW Government has set minimum requirements for developers to ensure workforce participation from apprentices and learning workers, First Nations people and underrepresented groups, such as women and youth.

EnergyCo is working with the Electricity Infrastructure Jobs Advocate, the NSW Department of

Education, TAFE and the renewable energy industry to coordinate initiatives that will support local training and employment opportunities for people in the REZ.

Local procurement and supply chain

Local businesses can benefit from the REZs through supporting the supply chain for renewable energy projects. The NSW Government's Renewable Energy Sector Board Plan sets out local content requirements to promote the use of locally sourced goods and services during the construction, operation and maintenance of the REZs.

REZ development and the new workforce it attracts will help increase economic activity in host communities and deliver flow on benefits for local businesses.

First Nations participation

Project developers are required to consult with First Nations communities on their plans to support First Nations participation. This may be through contracting First Nations businesses, direct employment, investment in education, training and capacity building as well as other initiatives.



Mudgee town centre.

Roads and transport

EnergyCo is working collaboratively with developers and road authorities to prepare for increased vehicle movements on local, regional and State roads during construction of the REZs.

Oversized deliveries on the NSW State road network

EnergyCo and Transport for NSW are working together to coordinate the transportation of large renewable energy equipment to the REZs and critical transmission projects across NSW. This includes deliveries of wind turbine blades, transmission transformers and other components.

This work involves planning and delivering upgrades between ports and the REZs to ensure the State road network can support oversized vehicle movements.

EnergyCo and Transport for NSW are developing a strategy and framework to efficiently and safely manage transportation of oversized loads along these routes.

Roads and transport in the Central-West Orana REZ

Port to REZ road upgrades

EnergyCo is leading the coordination of State road upgrades between the Port of Newcastle and the Central-West Orana REZ. We are currently working with Transport for NSW to determine the design, construction methodology, planning approval pathway and timing for planned road upgrades expected to begin in late 2024.

Local roads

While local road work will be specific to individual projects, EnergyCo is working with councils and renewable energy generation projects to determine priority upgrades and coordinate the work. We are investigating mechanisms for local road upgrades, including funding provisions and delivery bodies in consideration of community feedback.



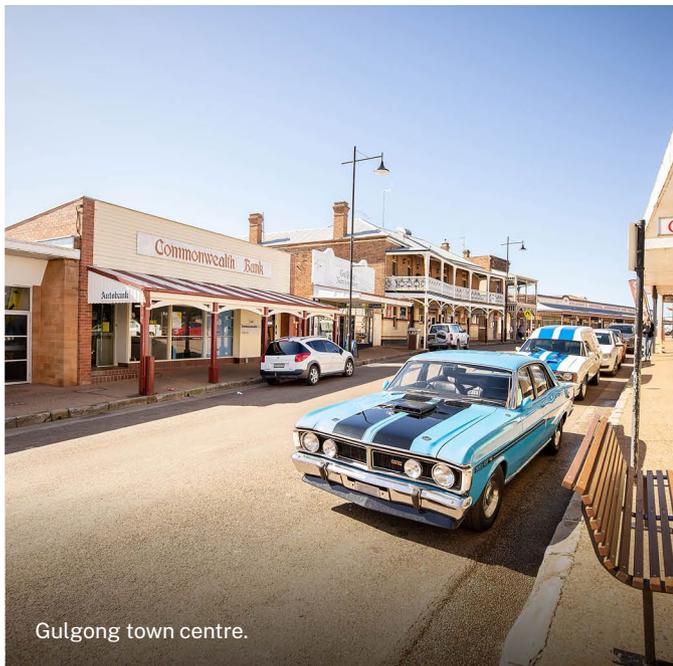
Communities will benefit from safer, more reliable journeys through the delivery of road upgrades for renewable energy projects.

Housing and accommodation

EnergyCo is working with local councils, industry and other NSW Government agencies to coordinate initiatives for housing and accommodation across the REZs.

We understand regional towns each have different requirements and constraints for local housing and accommodation. We are considering the needs of REZ communities when planning how incoming workforces will be housed during construction.

Following consultation with communities and stakeholders, we are developing a multi-faceted approach to housing which aims to mitigate impacts during construction and deliver long-term legacy benefits to local communities.



Gulgong town centre.

Focus areas for housing and accommodation initiatives



Temporary workforce accommodation to help reduce impacts to local accommodation, particularly in areas with existing high demand due to tourism and other factors. Temporary workforce accommodation can provide economic benefits for local communities, such as opportunities for local businesses and suppliers while the facilities are being built and operated.



Use of short-term accommodation for construction workforces, where available, can provide economic benefits for local businesses.



Legacy housing such as accommodation for key workers, provides opportunities for affordable community housing once construction in the REZs is complete.

Community infrastructure and services

With health, education and other community services already experiencing high demand in regional communities, EnergyCo is working with key partners to address the additional resourcing and infrastructure required within REZ communities.

EnergyCo has carried out research and consultation with NSW Government agencies and the community to understand the current context of community infrastructure and services and the challenges and opportunities during the delivery of the REZs.

Community infrastructure and services in the Central-West Orana REZ

EnergyCo has established a working group with councils and NSW Government agencies on community infrastructure and services in the Central-West Orana REZ. The working group is chaired by the Department of Regional NSW and will provide coordination on specific initiatives to support community services in the Central-West Orana region.



Silo art in Dunedoo.



Healthcare

Together with NSW Health, we are investigating opportunities to attract medical workers such as doctors, nurses, specialists and other healthcare workers to the regions, including key worker accommodation to house medical staff in REZ communities.



Education

We are engaging with the NSW Department of Education to plan for increased demand on schools, childcare and tertiary education in the REZs due to incoming construction workforces and their families.



Justice and emergency services

As the REZs progress to the detailed design and construction phases, we are working with NSW Police, Rural Fire Service (RFS) and other emergency service providers to help understand and mitigate project activities and potential hazards and risks.



Recreation and community facilities

We are considering ways to improve local recreation and community facilities during delivery of the REZs. This will help support increased demand from incoming construction workforces and provide long-term legacy benefits for host communities.



Mudgee town centre.

Improvements to mobile and internet connectivity

EnergyCo recognises mobile and internet connectivity is an existing concern in regional communities. The construction of renewable energy infrastructure provides an opportunity to help improve telecommunication coverage in the REZs.

Improving mobile and internet coverage in the REZs has the potential to provide significant benefits for local communities, particularly in rural areas and during travel.

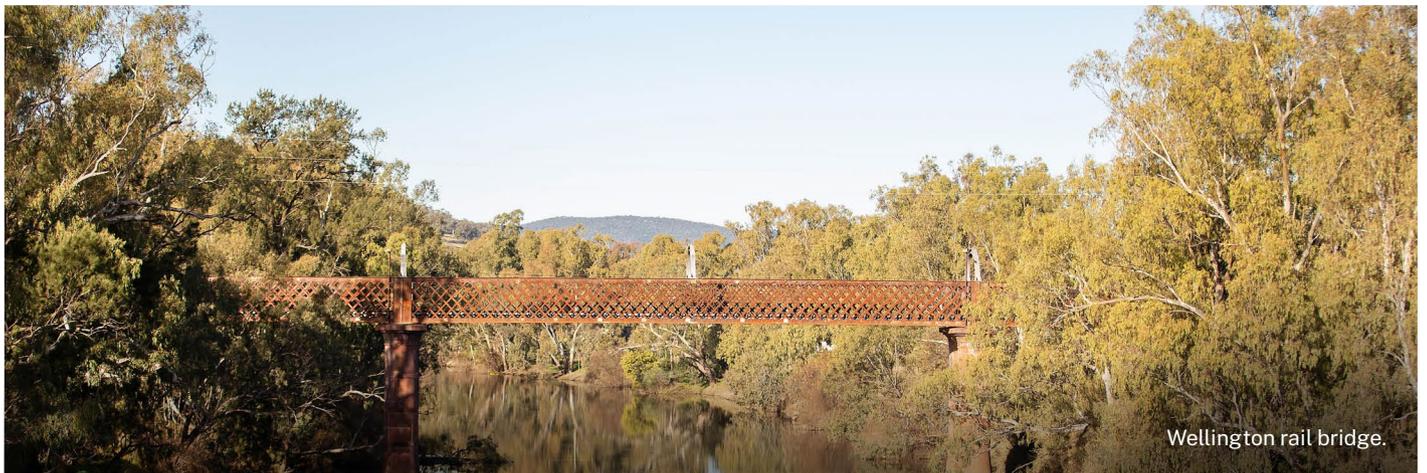
These opportunities come about from the construction of new transmission lines, energy hubs and generation projects, which involve new fibre optic cables that can increase the capacity of the telecommunication network in a regional area.

EnergyCo is working with the NSW Telco Authority to investigate how better internet and mobile phone coverage can be delivered as the REZs roll out. This could provide improved mobile phone coverage along roads or new, better and/or more affordable internet for communities.

Telecommunication improvements in the Central-West Orana REZ

EnergyCo carried out a study in 2022 to understand existing challenges and opportunities for mobile and internet coverage in the Central-West Orana region.

We are now working with NSW Telco Authority on potential initiatives to improve connectivity through construction of the REZ.



Strategic biodiversity initiatives

EnergyCo is committed to maximising opportunities for environmental conservation and nature positive outcomes in the delivery of the REZs.

NSW has a range of landscapes and landforms supporting a diverse mix of biodiversity and habitats. There are a number of existing national parks and other conservation areas located in and around the five REZs.

Each REZ will be designed to avoid and/or minimise impacts to native vegetation and habitat as much as possible. Transmission lines will be planned by avoiding key protected areas, or micro-siting the location of transmission towers, to avoid sensitive areas.

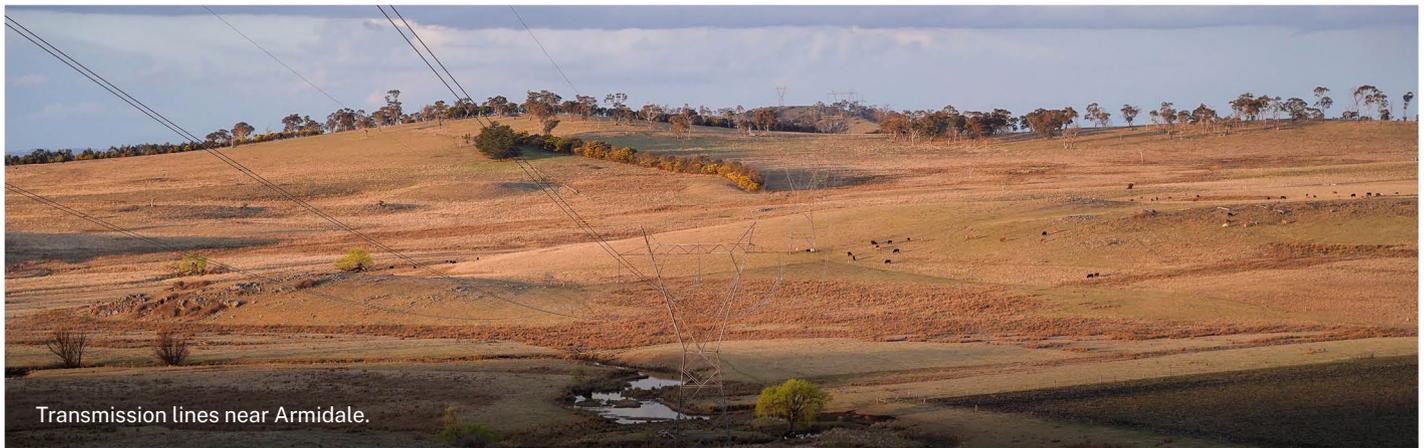
However, in some instances, there may be unavoidable residual impacts to biodiversity from energy

development in REZs, including transmission lines. These impacts will be offset in accordance with State and Federal biodiversity offsetting requirements. This typically includes a requirement to manage or enhance native vegetation.

EnergyCo is working with government authorities, renewable energy developers, landowners and other stakeholders to assess impacts to biodiversity, and explore strategic biodiversity offsetting and other measures to ensure the projects provide long-term biodiversity outcomes.

Biodiversity initiatives could include establishing offset sites on land with good quality remnant vegetation or threatened species habitat, adding to conservation areas next to existing national parks, restoring degraded lands, or implementing pest and weed control programs.

These measures will provide a number of benefits for the regions, such as providing biodiversity stewardship opportunities for local landowners, potential expansion of national parks, and the management of invasive species and pests.



Transmission lines near Armidale.

About EnergyCo

EnergyCo is the NSW statutory authority leading the delivery of the REZs under the Electricity Infrastructure Roadmap.

Our role as the Infrastructure Planner



Coordinate the technical design of REZs in consultation with the Australian Energy Market Operator (AEMO), Transgrid, program partners and generators



Coordinate \$32 billion of investment in the REZs to deliver at least 12 GW of renewable energy by 2030



Lead the delivery of the State's first five REZs under the NSW Government's Electricity Infrastructure Roadmap



Work with communities, industry and other stakeholders to maintain community support and maximise benefits for regional communities



Implement network access schemes for generators to connect to new network infrastructure in the REZs



Plan and recommend the required network infrastructure projects



Seek planning approval for the REZ network infrastructure under NSW and Commonwealth legislation



Consult with communities and key stakeholders on the transmission project development process



Acquire the necessary property and easement interests for the transmission lines, energy hubs and related infrastructure



Run competitive tender processes to appoint Network Operators who will design, build, finance, operate and maintain the REZ network infrastructure.

EnergyCo's role

As the Infrastructure Planner for the REZs in NSW, EnergyCo leads the development, coordination and delivery of the REZs in a way that benefits consumers, investors and regional communities. A key function is coordinating benefits for local communities and stakeholders in the REZs that are hosting renewable energy generation and transmission projects.

Developing REZ network infrastructure

EnergyCo is the proponent responsible for developing and overseeing the planning and approval process for new priority transmission infrastructure in the REZs.



Gulgong town centre.

Find out more

EnergyCo wants to hear what you think about our plans. If you have questions or want to give feedback, please get in touch with our team:

✉ contact@energyco.nsw.gov.au

☎ 1800 032 101

🌐 energyco.nsw.gov.au

🗣️ If you need help understanding this information, please contact the Translating and Interpreting Service on **131 450** and ask them to call us on **1800 061 114**.

You can find more information on our website by scanning the QR code or by visiting energyco.nsw.gov.au



Bodangora wind farm near Wellington.

