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EPA Inquiry
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Clean Energy Council submission to the Inquiry into the EPA

The Clean Energy Council (CEC) is the peak body for the clean energy industry in Australia. We represent and work with hundreds of leading businesses operating in solar, wind, energy efficiency, hydro, bioenergy, energy storage, geothermal and marine along with more than 4000 solar installers. We are committed to accelerating the transformation of Australia's energy system to one that is smarter and cleaner.

The CEC welcomes the opportunity to make a submission to the Inquiry into the EPA. We have two primary suggestions for the Inquiry which are;

1. That the EPA undertakes noise monitoring and compliance activities for wind farms, and that, if necessary, it charges a reasonable licencing fee. This will bring wind farm noise into alignment with other commercial and industrial electricity generating facilities.
2. That the EPA give serious consideration to ways in which it can act to limit particulate pollution and greenhouse gas emissions from fossil fuel generators, thus protecting human health and the global environment.

Further detail on both suggestions is below.

Wind farm noise compliance and monitoring

With the Renewable Energy Target resolved, the Australian wind industry has a lot of work to do in the next five years to reach the target. This accelerated construction phase will need to be accompanied by improved engagement and consultation by the wind industry, in order to avoid undue stress or uncertainty among communities.

One particular aspect of wind farm operation that in some cases can cause concern to members of the community is noise. Wind farms in Australia currently face among the toughest guidelines in the

world in relation to their siting, operation and permissible noise levels. Despite this, a perceived lack of transparency in the monitoring and compliance process has resulted in an erosion of community confidence in the industry and in the regulatory process.

This concern has been heard by the Minister for the Environment. In June 2015 the Renewable Energy Target legislation passed the Parliament revising the target to 33,000 GWh by 2020. As a part of the package, Minister Hunt made a deal with the crossbench *to progress reforms to improve the science relating to the sound of wind farms and the monitoring and transparency of information and help for communities.*

Following on from the resolution of the RET; the Senate Select Committee on Wind Turbines released their final report in August 2015. The report contained 15 recommendations which the Department of the Environment are expected to consider, as per Minister Hunt's letter (attached to this submission as Attachment 1).

Some recommendations in the final report concern noise regulation, and suggest that the process be run by state Environment Protection Authorities (EPAs). The report also suggests that wind farm owners to pay a licencing fee to the EPA. This system is currently in place in New South Wales.

We know that such a system is attractive to Victorian Councils. In their presentation to the Select Committee, the Municipal Association of Victoria (MAV) suggested that in the last few years, community confidence in the assessment of noise compliance is a principle concern for councils and their communities.

MAV said that the task of reassuring communities is beyond the expertise of local government, which requires councils to engage acoustic engineers to peer review noise reports at a financial cost ranging from \$8,000 to \$10,000. The small size of the acoustic engineering fraternity then erodes the community's confidence in the independence of the review.

The establishment of an environment protection licensing regime similar to other electricity generating facilities would go some way to addressing questions of independence, as well as assisting local councils with a task they are not equipped to undertake. The current interim arrangement that allows councils to access accredited noise auditors for a fee still leaves the burden of cost on the councils.

A reasonable annual licensing fee could be paid to resource the EPA to undertake the compliance testing of wind farm noise as well as any ongoing post construction monitoring that the EPA deems to be necessary. This will achieve a higher standard of perceived transparency and should also serve to reassure the community in this regard. The EPA is a uniquely trusted expert agency that is in the best position to explain complex issues in terms that can be understood by the wider community.

Limiting greenhouse gas emissions from fossil fuel generators

Australia's stationary electricity sector contributes approximately a third of our country's total annual greenhouse gas emissions. Based on current scientific consensus the electricity sector will need to be at or close to zero emissions by 2050, and several EU countries have made statements supportive of that principle. It is clear that decarbonisation of the electricity sector is imperative to meeting medium and long-term emissions targets, and long term and clear energy and carbon policies are critical to achieving this.

Australia's most emissions-intensive power stations will need to close in order to transition the generation fleet in a timely manner. An orderly transition will require a clear framework that provides strong investment signals for zero and low emissions technologies. A disorderly or unmanaged transition without a clear framework or investment signals would be likely to result in higher economic and environmental costs. This is particularly true for Victoria which currently has the highest emissions intensity of generation of any Australian State or Territory.

A variety of international examples exist of how to approach this issue. In the United States, the Congress first attempted to introduce an emissions trading scheme, and when that failed President Obama announced an initiative to directly regulate greenhouse gas emissions from coal-fired power plants via the Environmental Protection Agency¹. China is experimenting with different mechanisms simultaneously, including pilot emissions trading schemes and forced closures of coal-fired plants. Europe has focused on carbon pricing approaches through its emissions trading scheme. Europe has also used direct regulation to remove the oldest and most polluting generation plant through the Large Combustion Plant Directive. This sets limits on the emission levels of various pollutants (but not carbon) from power stations.

The EPA could consider implementing an emissions threshold (for total emissions or emissions intensity) for generation plant, or a limit on operational life (or some combination). A threshold could be gradually reduced over time and require generation to reduce emissions output below that threshold or to close by a certain date. This mechanism would give the EPA significant control over the timetable for withdrawal of capacity which would give the market confidence about the future supply/demand balance.

Another option is a commitment to not extending the operating licence of existing thermal generators. This would be a slower process as many plants have licences to operate beyond 2020.

In addition, we would encourage the EPA to advocate for appropriate particulate pollution standards to protect neighbours health in accordance with the most up to date credible scientific and medical studies.

Both of these proposals respond to the changing economy and changing technology that the Inquiry into the EPA has recognised on page 8 of the Discussion Paper. As Victoria's energy mix changes, the

¹ Carbon Pollution Standards, United States Environmental Protection Agency, www2.epa.gov/carbon-pollution-standards

EPA can and should be at the forefront of creating environmental regulation to ensure a smooth transition for both businesses and the community.

If you have any further questions please contact Alicia Webb via telephone on [REDACTED] or by email at [REDACTED]. For media inquiries, please contact Mark Bretherton on 0413 556 981.

Yours sincerely,

A handwritten signature in cursive script, appearing to read 'A Webb', written in black ink.

Alicia Webb
Policy Manager
Clean Energy Council



The Hon Greg Hunt MP
Minister for the Environment



Senator Bob Day
Senator Jacqui Lambie
Senator David Leyonhjelm
Senator John Madigan
Parliament House
CANBERRA ACT 2600

Dear Senators

The reinstatement of native forest wood waste as an eligible source of renewable energy under the *Renewable Energy (Electricity) Amendment Bill 2015* is an important reform that will support additional renewable energy generation and secure future employment opportunities in regional Australia.

I can confirm that the use of native forests for the primary purpose of generating renewable electricity has never been and never will be eligible to create certificates under the scheme. Eligibility was, and will continue to be subject to several strict conditions, including that it must be harvested primarily for a purpose other than energy production. There is no evidence that its eligibility leads to unsustainable logging.

The Government understands the continuing concerns raised by sectors of the community on the impact of wind farms on local communities. The Government supports the continued deployment of solar and other emerging renewable technologies in Australia.

Subject to passage of the *Renewable Energy (Electricity) Amendment Bill 2015* and reinstatement of native forest wood waste as eligible source of renewable energy, I will commit to the following measures at Attachments A and B to this letter.

Thank you for your ongoing support and engagement.

Yours sincerely

Greg Hunt

Encl.

ADDRESSING COMMUNITY CONCERNS ABOUT WIND FARMS

1. The Minister for the Environment will issue a statement that the Government will respond actively and in good faith to the findings of the Senate Select Committee on Wind Turbines.
2. Subject to the outcomes of the Senate Select Committee, the Minister for the Environment will seek the agreement of relevant Ministers to progress reforms to improve the science relating to the sound of wind farms and the monitoring and transparency of information and help for communities.
3. **Improving science and monitoring**
 - a. The Government will appoint in consultation with members of the Senate Select Committee and key industry and regulatory bodies, an independent scientific committee to provide research and advice to the Minister for the Environment on the impact on the environment and human health of sound (including low frequency and infrasound from wind turbines).
 - i. The independent scientific committee will be multidisciplinary, adequately resourced, include at least three members and be established by 1 September 2015.
 - b. The Committee will publish research on:
 - i. The development of Australian methodologies and frameworks in sound measurement and standards for wind farms, including in the field of infrasound and low frequency sound – to improve planning and compliance decisions by state and territory authorities.
 - ii. Innovation in cost-effective, continuous sound monitoring of wind farms.
 - iii. Options for wind farm operators to maximise transparency such as by providing information on wind speed, operational statistics, operating hours and sound monitoring.
4. **Empowering Communities**
 - a. The Minister for the Environment will establish a National Wind Farm Commissioner to resolve complaints from concerned community residents about the operations of wind turbine facilities. The Commissioner will be able to refer complaints to relevant state authorities and help ensure that complaints are addressed.

- b. The Minister for the Environment will seek agreement from states and territories to update and implement National Wind Farm Guidelines as recommended by the independent scientific committee, which each state and territory government should reflect in their relevant planning and environmental frameworks, and with the aim of finalising the Guidelines within 12 months. The Minister for the Environment will:
 - i. Promote with state and territory Environment Ministers at the July 2015 Meeting of Environment Ministers the guidelines; and
 - ii. Seek to obtain the agreement of state and territory Environment Ministers through the National Environment Protection Council to develop sound measures under the *National Environmental Protection Council Act 1994*.

5. Transparency

- a. The Commissioner will publish documents or links to documents, on its website to provide the community with information including, but not limited to:
 - i. The location of existing and proposed wind farms across Australia.
 - ii. Planning and environmental approvals in place for each wind farms including links to state and territory planning approvals and authorities.
 - iii. Renewable Energy Certificates received in respect of each wind farm.
 - iv. Data on wind farm operators including operating times, wind speed, power output and sound monitoring.

MEASURES TO ENHANCE THE UPTAKE OF LARGE SCALE SOLAR, OTHER RENEWABLE ENERGY TECHNOLOGIES AND ENERGY EFFICIENCY

1. Supporting large scale solar and other renewable energy deployment

- a. The Department of the Environment to work with the relevant Departments and agencies to develop a formal government strategy and implementation details:
 - i. Which updates the government, industry and the community on the forecast uptake of solar technologies under the RET, taking into account new information on lower costs of solar technologies and independent modelling which forecast that solar technologies will take at least one third of the additional new capacity developments under the RET; and
 - ii. To consider potential further support for solar and renewable technologies, including:
 - a. Options to support community solar and solar-with-storage projects by providing 'start-up funding' loans or grants to assist with project feasibility and early-stage development.
 - b. Providing incentives for off-grid deployment of solar.
 - c. Opportunities for CSIRO to further develop and implement a solar energy forecasting system for the NEM and SWIS.
 - d. Support development of appropriate safety/quality standards and training for installers of batteries/storage on solar systems.
 - e. Options to enable greater uptake of solar in government housing.
 - f. Options to support and facilitate the development of other renewable energy technologies.

2. Commit to enhanced support for solar technologies and other renewable technologies through existing initiatives

- a. The Government will write to the CEFC to ensure it adheres to its original purpose, by changing the investment mandate to focus investment in emerging and innovative renewable technologies and energy efficiency. This will in turn increase the uptake of emerging technologies such as large scale solar and energy efficiency.

3. Build awareness of existing support opportunities

- a. The Government commits to develop a solar technology information package to:
 - i. Highlight the funding support for solar RD&D and niche deployment being provided through ARENA; and investment support for deployment through CEFC.
 - ii. Promote the potential for the \$20,000 instant asset write-off for small businesses, announced in the 2015 Budget, to be used to invest in solar to reduce energy costs.
 - iii. Highlight the potential for continued strong growth of solar and battery technologies over the period to 2020 and beyond.