

Submission to Joint Select Committee on Energy Matters in Tasmania – 2024

From:

Community group: SOLVE – Supporting Our Loongana Valley Environment

Context:

Our community are on the ‘coal face’ of energy matters in Tasmania as we’re directly impacted by proposed transmission infrastructure (Stage 2 of TasNetworks’ NWTD). As a result, we’ve been dealing with TasNetworks and their political backers for over four years, and have suffered materially, socially and psychologically. We call on decision-makers to begin hearing our issues, address them, and improve process.

Community disgust, distrust and upset at the current process and energy sector activity are high. We’ve experienced one-way and disingenuous PR ‘community engagement’ from the proponent, or been simply ignored by those who claim to want what we want – genuine action on climate. Despite universal support for renewable energy and action on climate, we have found the premise of the Marinus and NWTD infrastructure to be unsubstantiated, the proposed outcomes likely to work against the stated aims, and no benefits accruing to ordinary Tasmanians – only costs.

Judging the proponents’ claims has been difficult, as their ‘engagement’ with us has been self-interested, with critical information routinely withheld. It has forced us to fact-check, using considerable time and resources, and at our own costs. In the process, we’ve learned how unfairly the energy sector is being planned and run within a ‘market system’, and how poorly it serves the general public, including our community. TasNetworks still refuse to acknowledge or honestly discuss our concerns or the true costs and impacts their proposed project will impose on us.

We learned many claims made in support of transmission infrastructure are only half-true, irrelevant, or ‘greenwashing’, and that the assessment and approvals processes in place are completely insufficient to ensure the public good.

Though we lack expertise on some of the terms of reference before this Committee, we will summarise our experience and offer positive ways forward for communities, government and energy proponents.

Current challenges of energy sector planning:

1. Corporate and government costings of transmission infrastructure focus on materials and labour, and ignore the true costs to landowners, communities, local business and the environment. Were these costs to be incorporated throughout grid planning, more equitable and efficient decisions would result.
2. Compensation for landholder impacts along transmission routes ignores long-term costs, and divides communities. Those deemed by the proponent as ‘directly affected’ are strategically engaged one-on-one, and their neighbours and community are largely ignored as ‘unaffected’. No compensation package or proponent-generated ‘Community Benefits Program’ will address the true costs or the inequities and impacts on the community and environment.
3. Contrasting the inadequate compensations offered to community are the generous renewable Power Purchase Agreements (PPAs) offered to corporate investors, guaranteeing to buy their energy preferentially and at a fixed cost, regardless of market values at any moment, to ensure corporate profitability at taxpayer and electricity consumer expense. While PPAs are intended to attract investment into the sector, they risk supporting unsustainable privately-owned businesses, while increasing public inequity and power costs.
4. Communities want transmission undergrounded, but TasNetworks’ costing comparisons between overhead and underground transmission are skewed to claim that undergrounding is ‘economically unviable’. However, when the data and claimed comparisons are checked by independent energy sector analysts and community researchers, TasNetworks’ narratives are found not to provide a true comparison. We find that all research, including TasNetworks’ own works, show that undergrounding, over time, is not only a similar cost but holds significant advantages and fewer long-term external risks and costs.

5. Current and proposed renewables and transmission projects, touted as part of ‘climate action’, risk the unintended consequences of amplifying local climate impacts and worsening local biodiversity loss via land-clearing and ongoing and cumulative impacts on wildlife from raptors to pollinators. These impacts and risks are dismissed, ignored or downplayed by proponents.
6. Corporatised structure of TasNetworks and TasHydro has caused them to prioritise serving commercial imperatives of the Market and ensuring dividends to shareholders (Minister for Energy and Treasurer), over the needs, now and into the future, of ordinary Tasmanians and our changing climate.
7. This corporate model also sees the ongoing shedding of core functions of TasNetworks in favour of outsourcing labour to the lowest bidders. It sees the provision of ‘investment opportunities’ for corporate and State investors prioritised over transitioning the wider Tasmanian economy beyond energy supply. It speculates / gambles that ‘excess’ energy from increased renewable energy sent to the NEM will allow economies of scale in transitioning at the granular level in Tasmania. Government plans based on market economics (eg. the TREAP) set no enforceable targets nor impose changes in legislation to support local transition throughout the wider economy.
8. Rising TasNetworks’ debt due to external factors and historical management decisions also sees the use of ‘supernormal’ profit-taking by TasNetworks via an (approximate) impost of 10% over and above reasonable billing. Poor finances also pressure executive decisions toward higher risk in planning.
9. Our community condemn the extensive, expensive and disingenuous PR from TasNetworks to pay ‘influencers’, lobby the political and business sectors, and dominate the discourse in media and community. It seeks to ‘control the narrative’ and ‘buy’ social licence for new infrastructure while denying or dismissing costs to the environment, communities and landholders.

10. Corporatisation of former public energy utilities also acts to normalise and prioritise egregious ‘market rates’ of remuneration and ‘compensation’ for the executives while in office, and on their exits from the company. Communities see that companies like TasNetworks are no longer public services, or operating in the public interest, despite nominal ownership by the government.
11. Commercial imperatives see a reliance of planning on speculation on the Market – the volatile NEM - and a reliance on the global corporate investor renewables and transmission markets – to fund and expand energy production, energy transition, and required or speculative new transmission. No overarching intersectional climate, energy and economic planning currently exists to guide market activities; instead the Market is allowed to pressure or dictate government action or inaction on climate, energy and the economy.
12. Commercial imperatives therefore see short-term decision-making to benefit investors, despite any NEM-related priorities released by AEMO in their ISPs.
13. Because climate and biodiversity issues are removed from commercial imperatives, they are only referred to in token ways following announcements in order to justify developments and obtain social license. The logic then becomes that environmental destruction can be regretted but subsumed under the higher priority of ‘action on climate’ and ‘the transition to renewables’. Proponent narratives downplay environmental costs and highlight ‘mitigation’ and ‘offsetting’, neither of which address or justify the damage they propose.
14. Infrastructure proposals are announced solely on a commercial basis, then disingenuously leveraged socially as ‘action on climate’, promoting ‘jobs and growth’, and promising ‘lower power prices’. Communities readily see through these PR strategies, and their purpose, increasing our cynicism.

15. The proposed NWTG, which in Tasmania will be almost entirely overhead, fully ignores our rapidly heating climate, the increase in extreme weather, and the lessons learned from the Mainland and overseas regarding reduced grid resilience with overhead transmission, especially when routed through forests and plantation timber. Any adverse events from fire and high winds will see most costs imposed on communities and taxpayers, while insured transmission companies will only be required to pay for labour and materials for repairs.
16. The corporatisation of former public utilities, and conflicted by neoliberal economic management at the governmental level, see increasing disconnects and inefficiencies in decision-making to address the needs of interacting climate, energy and economic sectors.
17. Development planning which risks amplifying the climate and biodiversity crises indicates that neither climate or biodiversity are foundational to early planning; ‘action on climate’ is not served by making either set of issues worse (eg. the wind farm proposal for Robbins Island, and the ‘Stage 2’ HVOTL transmission line through the Loongana Valley).
18. Socialising the costs of new transmission to support renewables investment, sees bad economic outcomes for our State, as is exemplified by the financial mess of the Woolnorth wind farm arrangement. Basslink is another exemplar of conflicted decision-making that has cost the State and its people dearly due to adherence to market economic management strategies. We thus pay far more for power than we would if government hadn’t chosen to corporatise our public energy utilities. The Marinus Project will ignore, repeat and amplify these mistakes, socialising increased costs to communities while ensuring private profits for companies like UPC/ACEN.

19. Allowing nearly half the State to be viewed as actual or potential Renewable Energy Zones, with *no* no-go zones, sees government and investor alike choosing to ignore community and environmental issues; ACEN's proposed Robbins Island wind farm is the exemplar of disregard for environmental and social outcomes in favour of commercial benefits flowing to the corporate and State sectors. Another example is TasNetworks' proposed 'Stage 2' transmission grid through the Loongana Valley, which will cause extensive damage and ongoing and cumulative impacts to critical habitats, threatened and endangered wildlife, landowners, local tourism and water catchments.
20. This commercial prioritising leads to increasing levels of community distress when calls for fairer and more equitable planning are ignored, and therefore to project delays as community resistance grows. This is seen increasingly on the Mainland. Community have a right to call out bad planning that does not accord with the needs of our rapidly heating climate, our disappearing habitat and wildlife, increased fire risks, and our local economies.
21. The strategic uses of PR and 'community benefits programs' by proponents is increasingly seen as disingenuous by community who realise they're being 'informed' and bribed rather than genuinely consulted. When State government departments like ReCFIT use focus groups to hone 'messaging', in order to support proponents, communities rightly see that they, their needs, their local economies and their environments are, at best, the lowest priority.
22. Independent expert energy sector analysis is routinely ignored or dismissed, leading to perceptions that the State and corporate sectors are refusing to hear healthy debate that includes all stakeholders and shapes better decisions.
23. Community concerns over transmission and renewable energy proposals are framed by proponents, government and conservative-leaning media as 'nimby-

ism’, or simply ignored. This reaction increases community frustration and upset, and leads to corporate and State sector planning ‘bubbles’ and group-think; community know they’re not being heard, while the State-corporate sector feels embattled by communities apparently ignorant of their work.

24. Community see Tasmanian wind energy extolled as a social and economic good, then, in effect, given away to corporate investors. Community see those investors are largely offshore, that those investors do not share community goals and concerns, and that energy development, production and distribution is largely controlled in boardrooms outside our State. Market control, national or international, leads to reasonable concerns about energy security for Tasmanian citizens. What was formerly a public utility that produced, stored and distributed energy for public good, is now primarily privatised investment.
25. Promises of ‘lower power prices’ and ‘downward pressure on power prices’ ring increasingly hollow when expert analysis indicates corporate commercial imperatives plus current planning mandate higher power costs. TasNetworks, for example, were obliged to be specific in Estimates (November 2023) that their Stage 2 proposal costs will be added directly to power bills. Tasmanian energy consumers will, in other words, be subsidising the investments of the corporate sector in order to, hypothetically, reduce power costs in Victoria. Only secondarily, and again only hypothetically, will the cost of buying back power from the NEM for Tasmanian use might be, relatively, reduced.
26. Community see all development costs accruing to them via bills, taxes, State debt, lower property prices, damaged environments and increased fire risks, while the power and most profits go offshore. ‘Community benefits’ cash-splashes may be welcomed by specific recipients, but they do not address the yawning disparity and inequities of current planning on the wider community.

Opportunities related to energy supply planning:

1. Restructuring energy supply, storage and distribution planning to prioritise public utility and climate will address the challenges above, and end the need for expensive post-hoc rationalisation [greenwashing] used to justify infrastructure or planning decisions currently siloed behind the closed doors of Parliament, ReCFIT focus groups and the Jurisdictional Planner.
2. In restructuring planning to prioritise action on climate-biodiversity, and ensuring benefits to Tasmanians, better and more efficient decisions will be made, decisions which are more likely to save money and other costs (rather than impose long term State debt and increased power prices mostly benefiting corporate investors).
3. Planning that consults the local needs of community over the long term, rather than the needs of global investors in the short term, can replace the current regime that socialises costs and privatises profits, and pre-empt problems and the extra costs they may impose on our State.
4. Coordinated multi-sector planning that ends public services (eg. ReCFIT) working as PR agencies justifying target-less plans (eg. TREAP) are more likely to focus on *actually* preserving biodiversity, mitigating climate impacts, ensuring Tasmanian energy security, and affordably transitioning our own state from reliance on fossil fuels across *all* sectors.
5. Targeted direct assistance to communities in co-designing early planning at the State and local levels will allow them to highlight problems that might otherwise be missed, pre-empting and avoiding longer term costs, *and* speeding up approvals processes. (Increasing community resistance to corporate control of our already volatile NEM is seeing project and investment stall; it's in no one's interest to continue business-as-usual.)

6. Removal of Tasmania from the NEM to instead plan for local benefits of renewables as a public utility will step away from having to use costly mechanisms currently in play to 'attract investment', incidentally providing a more stable investment environment over the long term.
7. Removal of TasNetworks from the Jurisdictional Planner role will end the extraordinary conflict of interest of a 'poles and wires' company making a plan that excludes all but more 'poles and wires' - plans which materially benefit the company and their shareholder, the State government. This will begin to restore community trust in both.
8. Coordinated multi-sector planning that is independent of the 'energy sector' will not just focus on the narrowest of commercial concerns for renewables and transmission investors, but set positive economic benchmarks for all Tasmanian sectors to transition to all-electric / non-fossil fuel based, while also ensuring climate-biodiversity issues are fundamental to all levels of governmental and corporate decision-making.
9. This form of planning will increase transparency, community inclusion, and recognition of the intersectionality of issues facing Tasmania, all currently ignored by decision-makers in government and the corporate sector, and which has led to unsustainable industries and practices, including transmission and renewables. Changing this approach will positively impact us all.

In summary: Positive pathways forward:

We call on the Committee to demand a reset on energy, climate and jobs planning in Tasmania. We call for coordinated, transparent multi-sector planning, with energy deemed a public utility to be held in and controlled by public hands for public good.

We call for transparency, equity, the use of evidence, and the need for genuine action on climate-biodiversity to guide infrastructure planning, *not* political expediency or the interests of those who most seek to profit from the transition to renewable energy.

We call for political parties to abandon politics-as-usual and begin working for the interests of the people of Tasmania to take genuine action on climate-biodiversity.

We call for parliament to legislate to support community when there is a clear power imbalance between them and proponents, including proponents who are State-owned.

All renewables and transmission proponents must be legislated to begin acting according to any Best Practice Charters they've signed, and include climate, biodiversity and community interests as foundational to all decision-making.

Legislators must remove TasNetworks as Jurisdictional Planner of the energy sector - a fundamental conflict of interest for itself and its shareholders.

TasNetworks must halt Project Marinus and the NWTD planning, especially Stage 2 through the Loongana Valley.

Government and the private sector must end the current 'announce, defend, "consult"' model of development, and instead institute early and genuine consultation with independent experts and communities to plan for Tasmania for the long term.

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