1 March 2019

Engage Victoria and Department of Environment, Land, Water & Planning


Dear Sir / Madam,

Submission to Victoria’s Draft Solar Energy Facilities Guidelines

Pacific Hydro appreciates the opportunity to provide comment to Victoria’s Draft Solar Energy Facilities – Design and Development Guidelines (the Guidelines).

Founded in Victoria in 1992, Pacific Hydro is now a global renewable energy owner, operator and developer. Pacific Hydro has an established record of identification, development, and operation of renewable energy assets, and significant in-house expertise across our international operations.

Pacific Hydro’s Australian operational assets include wind, solar and hydro energy projects. Pacific Hydro is also developing and constructing a substantial number of projects in Victoria, New South Wales and Queensland totalling over 2 GW of potential capacity, and has a growing electricity retail business in Australia, Tango Energy. Pacific Hydro is actively pursuing the development of large-scale solar projects in Victoria including the Prairie Solar Farm which was recently approved by Loddon Shire Council.

We support the State Government’s development of the Guidelines to provide a consistent framework for the assessment of proposed large scale solar projects. We expect the Guidelines, once finalised, will also provide greater clarity for communities, regulators and proponents. Victoria has the opportunity to benefit from the increased investment, regional employment opportunities, economic activity and environmental benefits that these projects deliver. Large-scale solar projects support the diversification of regional economies and the agricultural sector and provide greater financial resilience for landowners and agricultural regions experiencing reduced rainfall and other widespread climate change impacts.

We would like to provide comments on a number of areas which we expect will allow for improvement of the Guidelines:

- Land-use definitions
- Site Selection
- Protection of strategically important agricultural land
- Grid connection

Land Use Definitions

A Solar energy facility is not separately defined in the Victorian Planning Provisions’ (VPPs) land use definitions (Clause 73.03) and is instead included in the broader Renewable energy facility definition. Given that a Wind energy facility is separately defined, the Department of Energy, Land Water and Planning (DELWP) may wish to consider whether a separate definition is required.
Energy storage, including battery storage, is not explicitly included in the VPPs’ land use definition for a Renewable energy facility. The Guidelines explicitly acknowledge that battery storage is increasingly becoming part of new large scale solar projects. Energy storage or “firming” is integral to Victoria’s on-going transition from fossil fuels to renewable energy sources. As such it is recommended DELWP consider that for clarity and consistency, the definition of Renewable energy facility within the VPPs should be revised to explicitly include energy storage.

Site Selection

It is agreed that quality site selection is integral to the success of any large scale solar project. Proponents must consider a wide range of criteria. For solar developments, Pacific Hydro seeks sites that have a quality solar resource, are reasonably flat, are within reasonable proximity to the grid and can be developed with minimal environmental (e.g. flora and fauna) and cultural heritage impacts. The agricultural productivity of the land and the context of that productivity within the Council area, region and particular agricultural sector are also paramount considerations. Typically the grid proximity requirements for any project mean that a very finite area may exist around a given section of electricity transmission network that can be economically used for large-scale solar generation.

In seeking planning approval a proponent must demonstrate the suitability of any site it proposes to develop with reference to these matters in addition to an assessment of a wider range of potential environmental, community and amenity impacts, in accordance with the relevant Planning Scheme. As such, we are concerned about how Section 4.1 of the Guidelines may be interpreted, in particular the requirement for proponents to “consider multiple site options within a region”. It is not clear how many site options a proponent must consider, how a given region is defined geographically and the extent within the region that must be considered, how far the proponent must progress commercial discussions with landholders, or how a proponent demonstrates that multiple sites have been considered. Often it is the case that a landholder approaches a renewable energy proponent with respect to the potential for solar generation on their land in order to diversify their income stream. How is a proponent to manage this situation if the site is clearly suitable but a marginally “better” site exists nearby but that landholder is requesting exorbitant commercial terms which likely render the project unviable?

Furthermore, beyond these practical considerations, it is well established planning principle that planning applications are not to be treated as a ‘beauty contest’ (Refer PT Capitol Development Partnership Pty Ltd v Stonnington CC [2013] VCAT 1683 and E A H Batman Pty Ltd v Melbourne CC (includes Summary) (Red Dot) [2011] VCAT 1477). Whilst a prudent proponent would naturally seek the optimal site for their development, caution needs to be exercised in requiring applicants to demonstrate the extent to which this has been done. Applications should primarily be judged on their merits rather than in comparison to every other feasible site. We recommend that the Guidelines delete the (implied) requirement to demonstrate that multiple sites have been considered. Short of this, the Guidelines should provide further clarity of the purpose and utility of this requirement to consider multiple sites and set out clear guidance on how it can be meaningfully implemented.
Protection of strategically important agricultural land

Pacific Hydro absolutely acknowledges the importance of protecting strategically important agricultural land from inappropriate development and we understand the provisions within all Victorian planning schemes that outline these strategies (e.g. – Clause 14.01 and 35.07). We also acknowledge the assessments outlined in the Guidelines at Section 4.3.1 that are required to consider and evaluate high quality agricultural land.

However it would significantly assist if the State undertook further work to better define and map where “strategically important agricultural and primary production land” exists. We understand that this process may have started given the reference in the Guidelines to further assessment of the modernised irrigation grid. However we note that access to modernised irrigation is only one consideration in whether an area constitutes strategically important agricultural and primary production land.

Further definition or mapping of these strategically important areas should not replace the need for specialist assessments of the agricultural matters outlined in Section 4.3.1. However clearer definition would be invaluable to guide solar developments across the State and provide an initial reference point. We note that the New South Wales (NSW) solar guidelines assist in this regard by reference to Biophysical Strategic Agricultural Land (BSAL) and similarly the Queensland solar guidelines by reference to Agricultural Land Classification Class A and B. In the absence of further definition or State based mapping, we are concerned that significant uncertainty remains regarding where strategically important agricultural land exists. This high level of uncertainty can lead to significant inefficiencies when short-listing and securing potential solar development sites and may also contribute to heightened opposition to proposed solar projects in the community.

The consideration of high quality agricultural land is a critical matter for decision makers that has been paramount in several Victorian planning cases within the last year. We note in particular the Greater Shepparton Solar Farm Planning Panel applications (i.e. a decision on 3 applications are still pending), the recently determined Glenrowan Solar Farm case determined at the Victorian Civil and Administrative Tribunal (VCAT), and the Bookar Solar Farm VCAT Hearings scheduled for April 2019. From this, it is apparent that the current lack of clear definition of high quality agricultural land in Victoria is not assisting decision makers. Further, it could be said that there is greater investor certainty for solar projects in New South Wales and Queensland, given the improved clarity on this matter in those states.

Grid Connection

We are significantly concerned that the Guidelines appear to require permit applicants to demonstrate that a proposal has confirmed grid connection details and gives reference to applicants’ providing ‘detailed plans’ (inter alia) in relation to the connection point, the capacity of new connections and the pole design. However, the existing requirements in Clause 53.13 of the VPPs only require details ‘as appropriate’ on the ‘electricity distribution starting point’. The Guidelines, in their current form, are therefore inconsistent with the VPPs.

Consideration of grid connection and capacity will form part of a proponents’ feasibility assessment for any large scale solar project. Furthermore transmission line routes or corridors and indicative designs may well form part of the application. However it is not practical for proponents to confirm details such as grid connection points, grid capacity and pole design at the application stage. These details are typically finalised at detailed design stage and only after planning approval. The assessment of grid capacity is a dynamic exercise
as the transition of Australia’s National Electricity Market (NEM) continues. A grid capacity study that is current today may be outdated in as little as three (3) months depending on the extent of new projects proposed on the line or changes in load/demand profile. Securing a Connection Agreement with a Transmission Network Service Provider (TNSP) requires significant investment (i.e. – frequently in the order of $500,000). As such these Agreements are not commercially entertained prior to planning approval of the project. Therefore it is not practical nor is it reasonable to expect finality on connection points, grid capacity and pole design (inter alia) at the permit application stage. Moreover, requiring such detail early in the project development phase can introduce greater levels of financial risk to the project and may have the unintended consequence of deterring investment into new solar generation facilities in Victoria.

Again we thank you for the opportunity to comment on the Guidelines. We support the introduction of the Guidelines however we hope that through this consultation process that further improvements can be implemented to ensure solar farm proposals in Victoria are assessed and determined through a rigorous yet fair and reasonable process.

Please do not hesitate to contact me if you have any queries or would like to discuss further.

Yours sincerely,

Pacific Hydro