

RENEWABLE ENERGY PACKAGE FOR QUEENSLAND PRESENTS FURTHER INVESTMENT OPPORTUNITIES

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Legal Briefings - By **Toby Anderson**, **Gerard Pike**, **Alison Dodd** and **Daniel Lau**

On 5 June 2017, the Queensland Government announced the \$1.16 billion 'Powering Queensland Plan' (**Plan**). Among other measures, the Plan contains numerous initiatives to further stimulate investment in renewable energy projects in Queensland. Queensland will hold a state election on or before 5 May 2018 – where known, we have included an initiative's proposed start date.

INITIATIVES AIMED AT ENCOURAGING INVESTMENT

Renewable energy target: the Queensland Government has reaffirmed its commitment to achieving a 50 per cent target for generation output from renewable sources by 2030. The eligible sources will be the same as those under the national Large-scale Renewable Energy Target (**LRET**).

Reverse auction: the Queensland Government will conduct a reverse auction process for contracts for difference to secure a further 400MW of renewable energy generation prior to 2020, to take advantage of the LRET. 100MW of this capacity will be sourced from energy storage in order to spur the development of this technology. Priority will be given to projects which support local jobs and businesses. The reverse auction is intended to commence in 2017, and we anticipate that the Queensland Government will soon undertake market sounding to determine the parameters for the contracts for difference.

Developing transmission infrastructure: the Queensland Government has committed (subject to a feasibility study) to spending \$150 million to build a new 500 km transmission line which would form a loop connecting Cairns and Townsville. The higher capacity transmission line would be able to accommodate larger projects and 'unlock' a further 2000MW of renewable projects in the northern hinterland. The indicative path of the line would encompass a number of planned and operating generators including the Mount Emerald Wind Farm, the Kidston Solar and Hydro Projects, the Kennedy Energy Park and the Ross River Solar Farm.

Government assistance in network connections and project facilitation: the Queensland Government has committed to working with Powerlink and Energy Queensland to expedite the connection of new projects to transmission or distribution networks. To assist project proponents, a web portal will be established in 2017 to provide timely information regarding project proposals. A series of best practice guidance documentation on project planning and development will be released after consultation with stakeholders.

OTHER INITIATIVES

The other initiatives in the Plan focus on improving the stability and affordability of supply. They include:

1. the recommissioning of the 385MW Swanbank E gas-fired power station by late 2017 to assist with supply shortages;
2. establishing a government owned generator dubbed 'CleanCo' to increase competition and stabilise wholesale prices;
3. releasing 395 square kilometres of land for gas production for the domestic market only;
4. the Queensland Government taking on the \$770 million cost of the Solar Bonus Scheme; and
5. establishing a Queensland Energy Security Taskforce to conduct feasibility studies and implement the recommendations of Chief Scientist Dr Alan Finkel in the upcoming Finkel Review.

GROWING OPPORTUNITIES IN QUEENSLAND

Queensland is anticipated to double its large-scale renewables capacity and we anticipate that the Plan will add to an already robust pipeline of projects. A number of projects are currently under construction in Queensland, including the Mount Emerald wind farm (180MW), Sunshine Coast solar farm (15MW) and Lakeland Solar & Storage project (10.8MW) with the Sun Metals Solar Farm (100MW), Ross River Solar Farm (135MW), Kennedy Energy Park (40MW), Clare Solar Farm (100MW) and Kidston Solar Farm (50MW) all having the financial commitment to commence construction in 2017.

Our full service renewables team has advised on the development and financing of a number of these projects including Clare Solar (acting for FRV), Kennedy Energy Park (advising ARENA and Eurus and Windlab), Ross River Solar Farm (acting for the financiers) and Mount Emerald Wind Farm (acting for the financiers). We are ideally placed to advise on the impact of these initiatives on current projects and funding arrangements as well as on investments into the Queensland renewables market.

KEY CONTACTS

If you have any questions, or would like to know how this might affect your business, phone, or email these key contacts.



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