

Central West Orana Renewable Energy Zone

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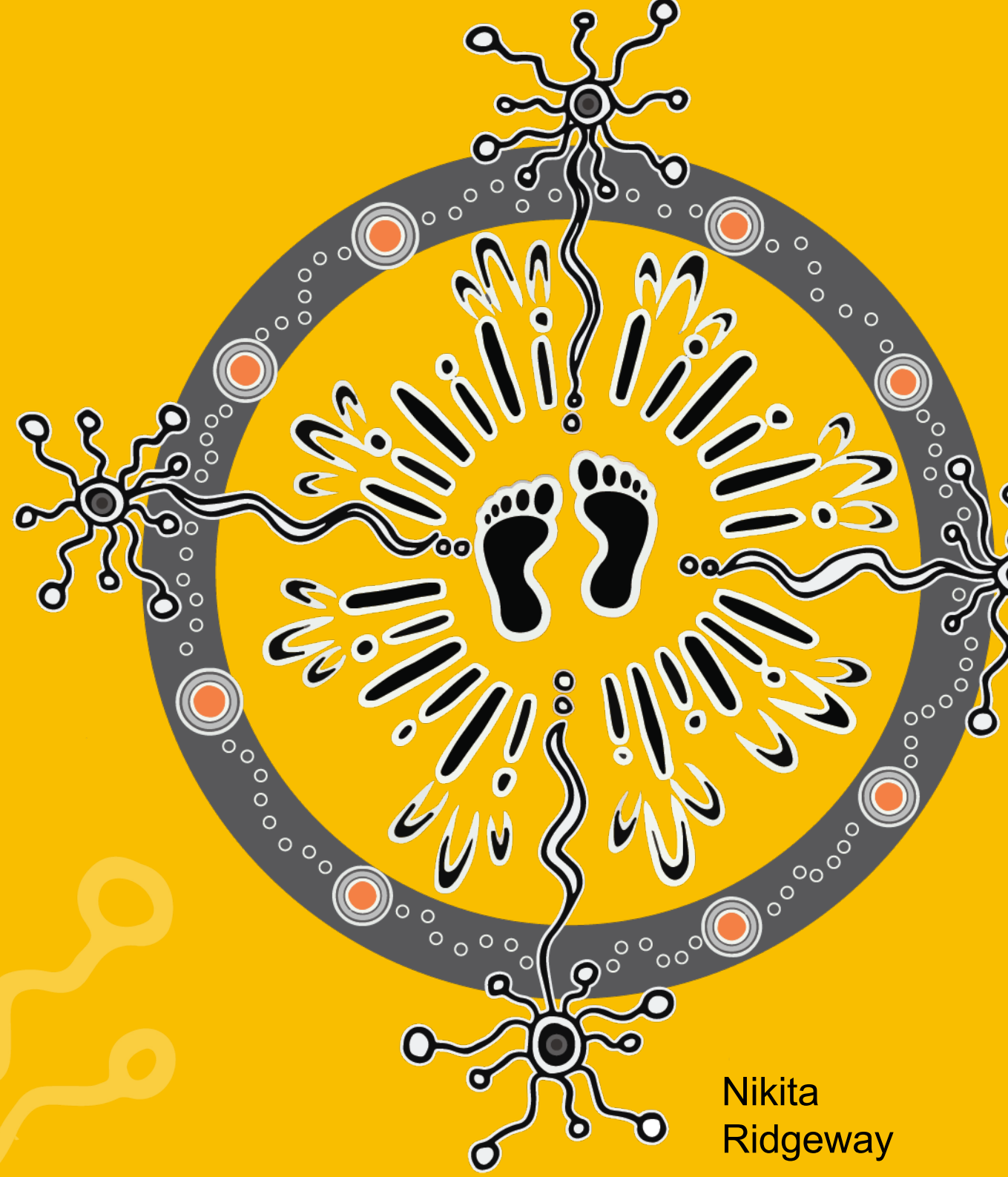
Resources, Energy and Industry Innovation Forum

June 2023

Acknowledgement of Country

We acknowledge that today we meet on many Aboriginal lands.

We acknowledge the traditional custodians of the lands and we show our respect for elders past, present and emerging through thoughtful and collaborative approaches to our work.



Nikita
Ridgeway

Business Renewables Centre Australia

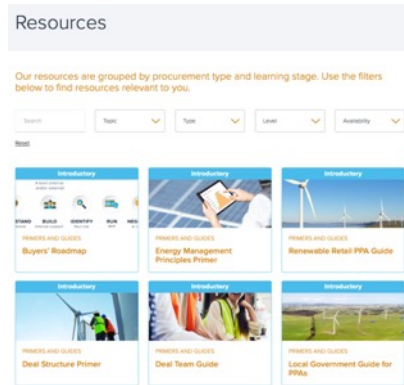


We provide independent training, connection and fundamental ‘how to’ resources to companies seeking to decarbonise their business through renewable energy procurement, especially via PPAs. We help industry to better understand buying options, Australian energy markets and policy.

We are a member-led, not-for-profit community of business. We train and support corporate and government energy buyers, project developers and professional service providers seeking to driving industry towards sustainable energy use and net zero emissions.



Training



Templates & Guides



Connection



Consultant lists

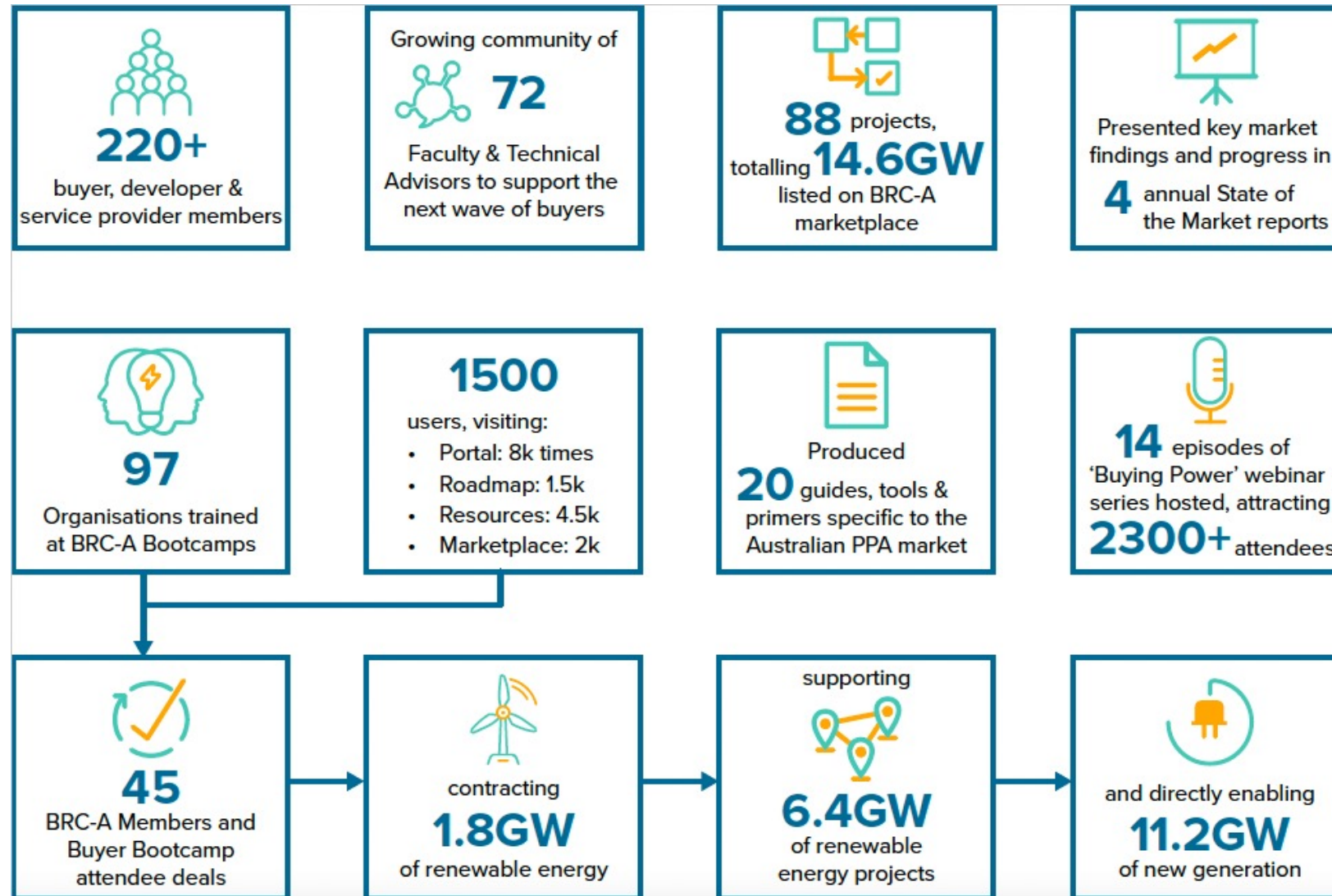


Markets & policy

To find out more visit: <https://businessrenewables.org.au>



Executive summary: Our impact since launch in 2018



Our initial goal was to deliver 5 GW of renewable PPAs by 2030, which we achieved in 2022.

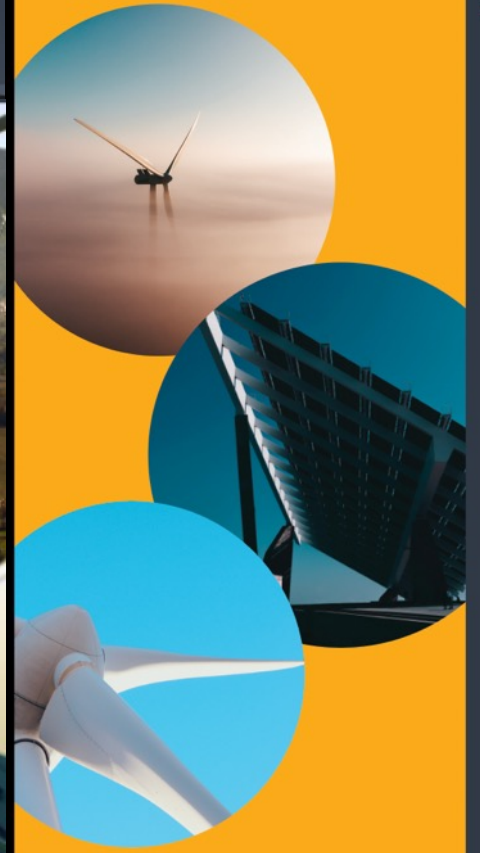
New goal: To support the achievement of the Federal target for 82% renewable energy in Australia by 2030 by enabling industry to procure up to 12 GW of renewable energy projects.

Business Renewables Centre - Australia

Begin your renewable
energy journey

Use our diagnostic tool to help understand your options.

[Start here](#)



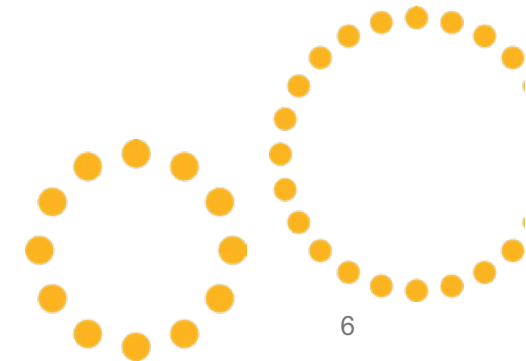
Driving a
business-led
renewable
energy future

businessrenewables.org.au



Today's agenda

- Project goals.
- About PPAs.
- About Central West Orana REZ.
- Central NSW Joint Organisation renewable PPA.
- Community benefits & PPAs: Case studies from CWJO, Carlton United Breweries, Westpac.
- Barriers & challenges.
- How we work, program of events.
- Reference Group: How can you be involved.
- Q&A, discussion.



Central West REZ renewable PPA support

Project goals

- **Identify the potential for providing cheap, renewable electricity to energy users in the CWO REZ through Power Purchase Agreements (PPAs).**
- **Build the capacity of interested parties to participate in PPAs through education and training.**
- Determine the feasibility of establishing a CWO REZ PPA buyers group/s.
- Increase the quality of PPAs, local benefits and involvement.
- **Increase local involvement and benefits for local stakeholders within the CWO REZ.**

How will we do this?

- Arrange and deliver introductory training sessions in the region to educate and inform businesses and Councils about renewable electricity PPAs.
- Deliver an in-depth one-and-a-half day PPA Training Bootcamp for interested organisations.
- Test market interest in one or more group PPAs.



About renewable energy PPAs

What is a PPA?

A Corporate Power Purchase Agreement (PPA) is a contract between an energy buyer and energy seller whereby there is a guarantee that the energy being bought has been purchased from a renewable energy (RE) project (i.e., Offsite Solar/Wind farms) and for an agreed price, volume and term.

Renewable PPAs enable renewable projects to be financed as they are a bankable contract developers can use to obtain project finance; and offer a range of benefits to organisations.

PPAs support the decarbonisation of Australian business and the electricity grid by providing financial certainty for renewable energy projects.

Why do organisations do PPAs?

Achieve environmental sustainability targets

- Achieve large emissions reductions quickly.
- Net Zero – Scopes 1, 2 & 3.

Manage energy price fluctuations

- Deliver budget certainty.
- Manage ongoing price volatility as market decarbonises.

Deliver social, environmental & economic benefits

- More than just green electricity.
- Opportunity to deliver regional benefits.

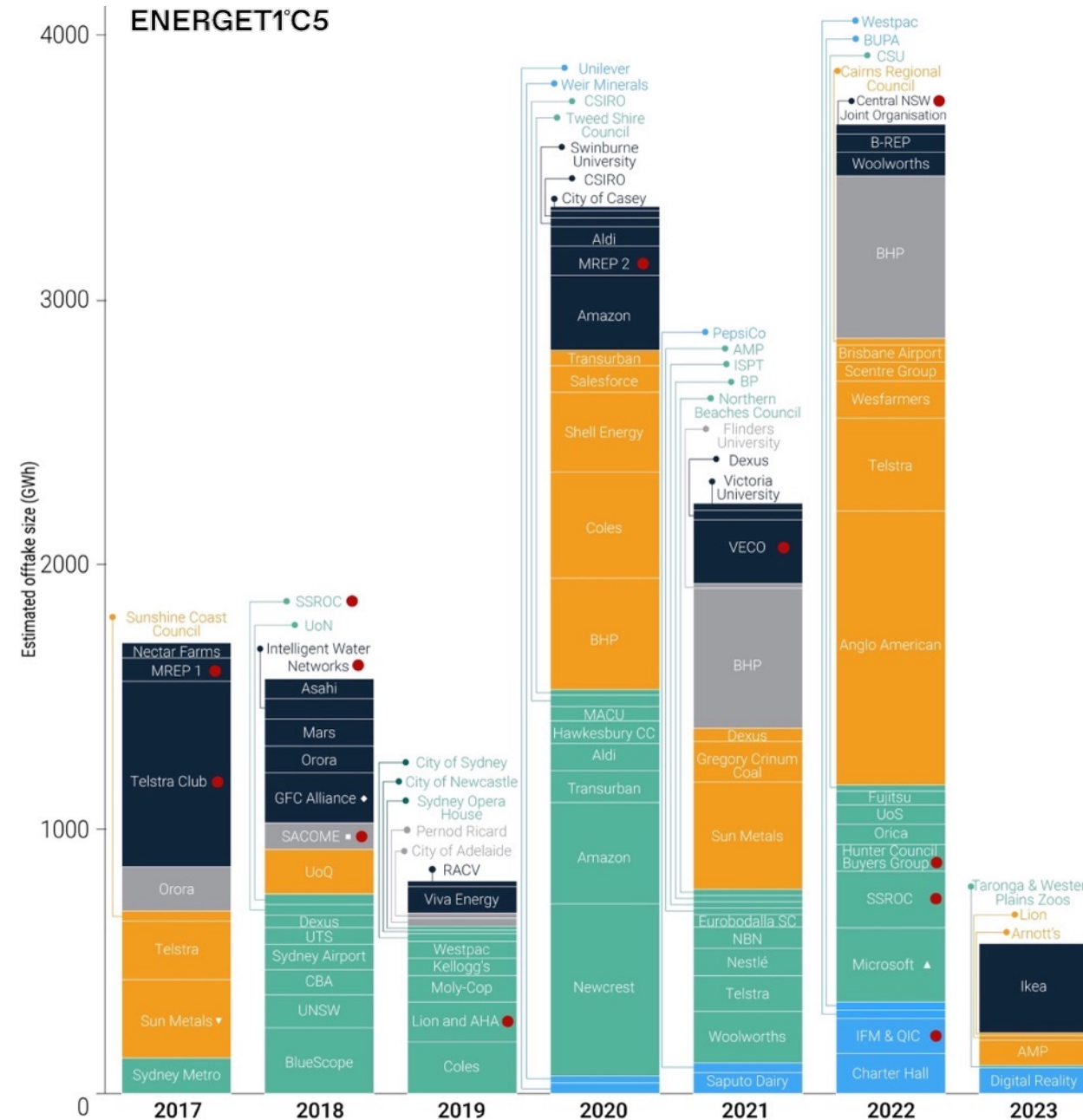
Who is buying renewable electricity via corporate PPA?

In 2022:

- Biggest year yet for Corporate PPAs.
- Range of deals with high-profile corporates.
- Multiple group deals.
- Smaller service sector buyers, including BUPA.

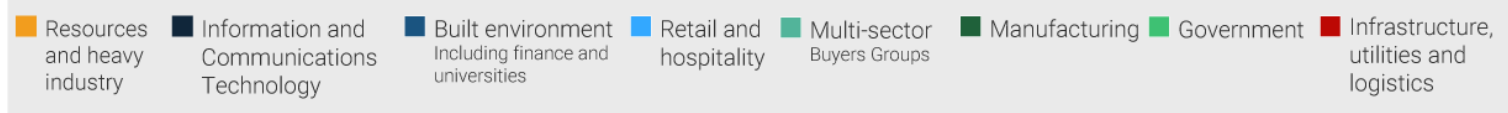
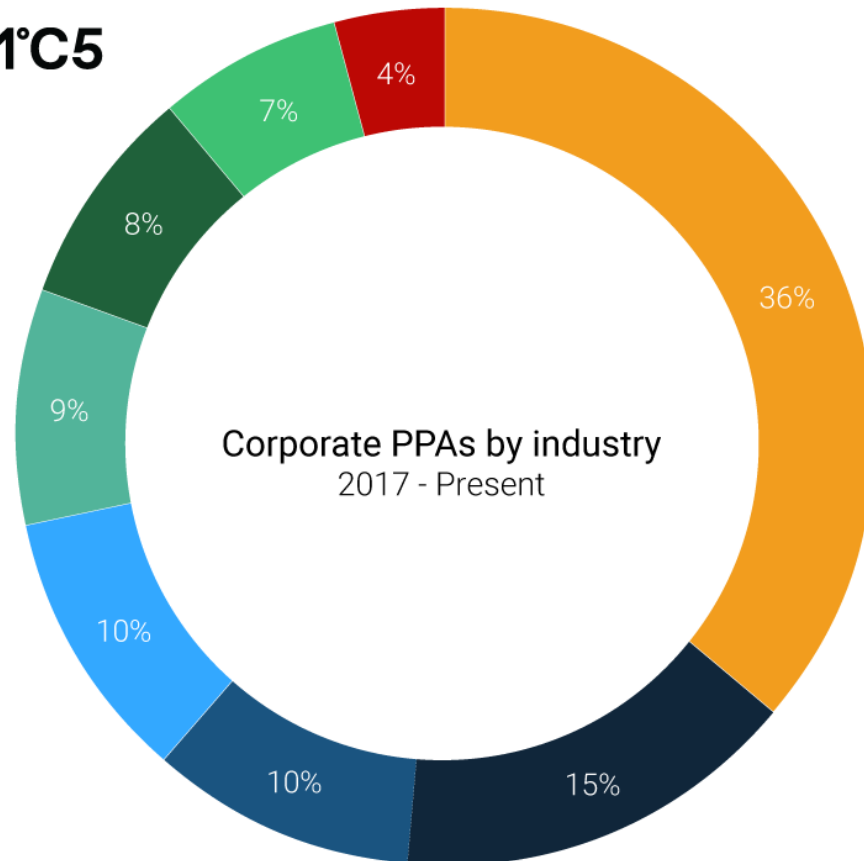
In 2023, so far...

- IKEA.
- AMP Capital.
- Digital Reality.
- Arnotts.
- Lion Brewery.
- Newcastle Airport.
- Taronga & Western Plains Zoos.



Who is buying renewable electricity via corporate PPA in regions?

ENERGET1°C5

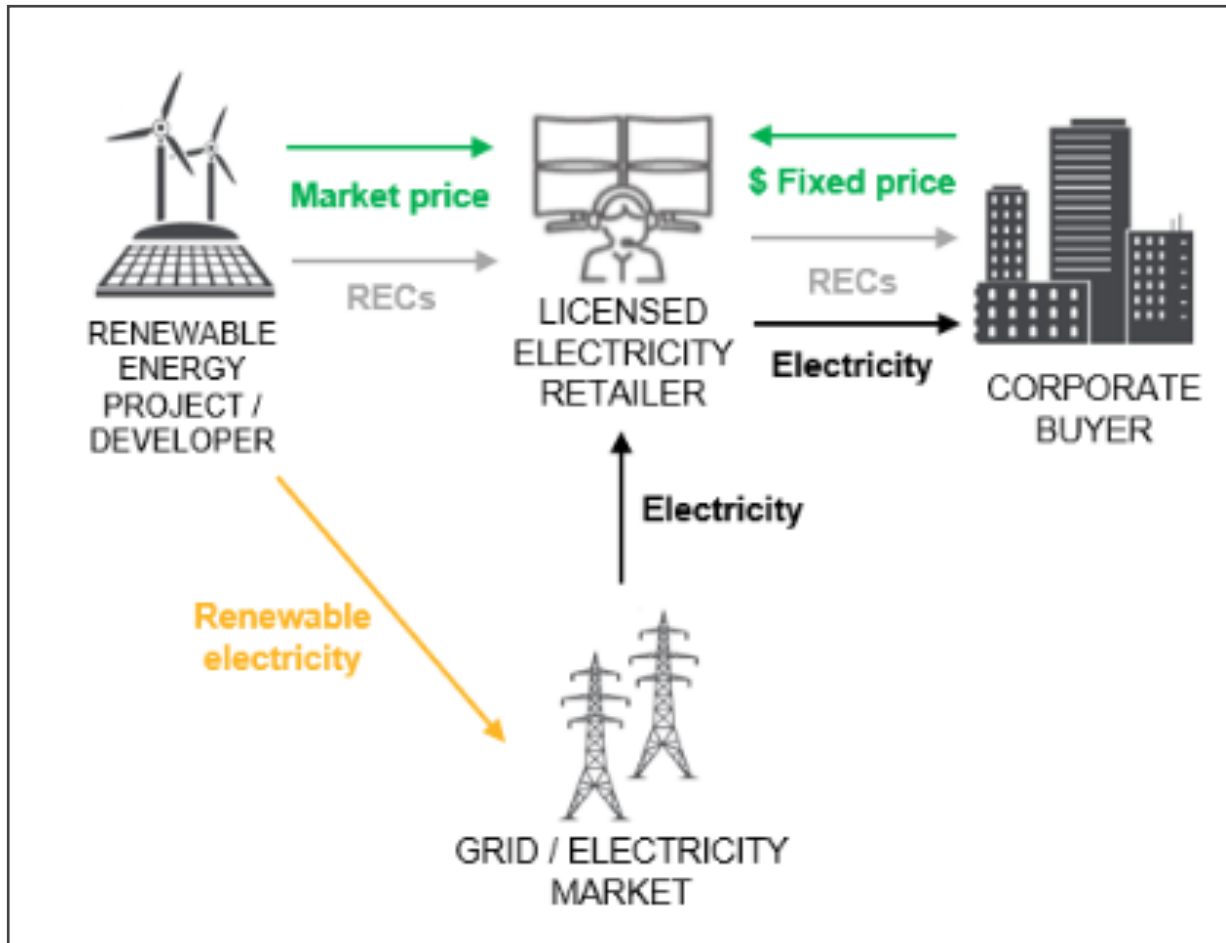


Regional PPA examples:

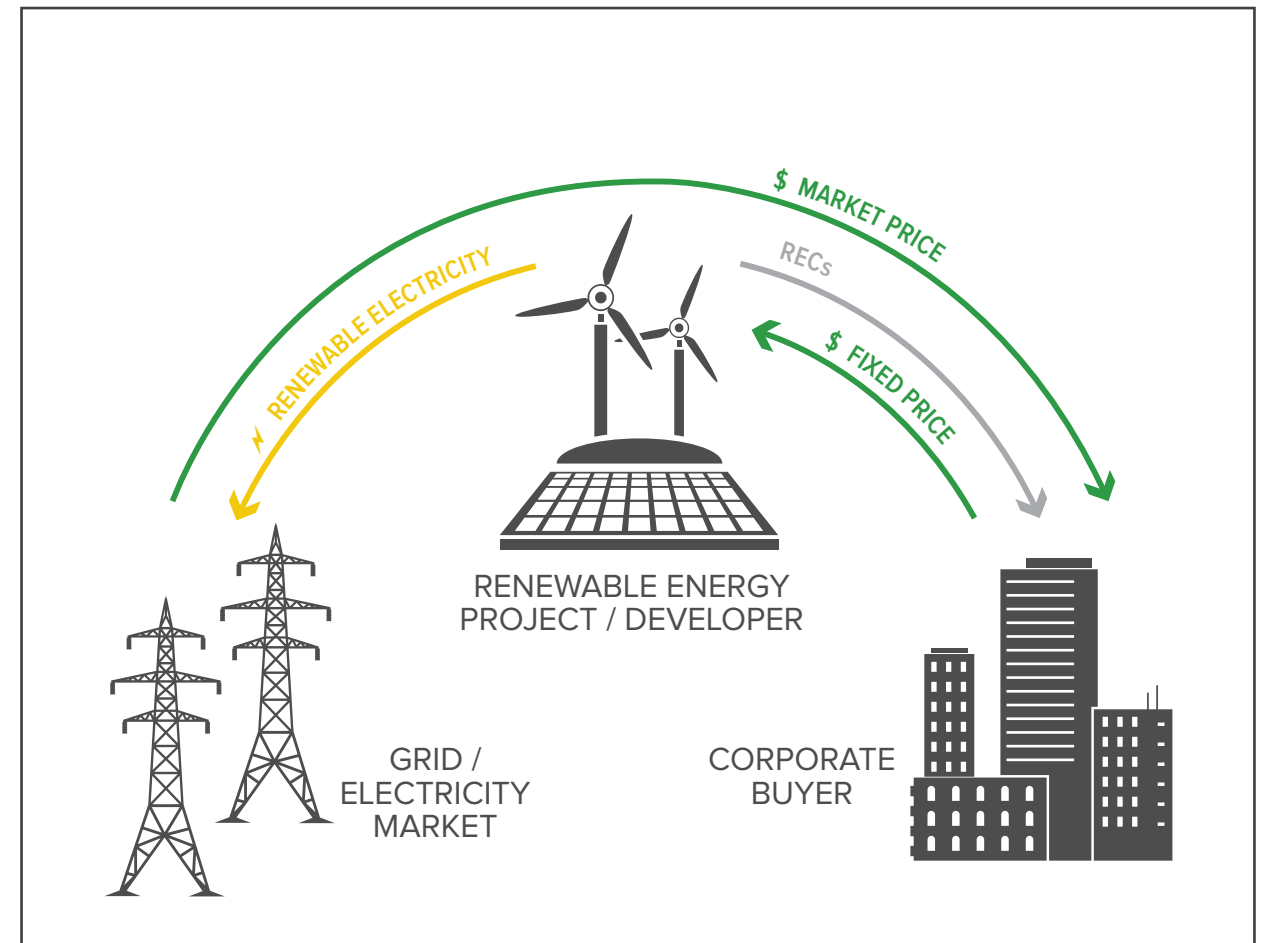
- Mining:** Newcrest Mining, BHP (x 5), Gold Fields, Anglo American, Weir Minerals, Gregory Crinum, Dalrymple Bay Coal Terminal, SACOME, Shell.
- Agriculture:** Olam, Burra Foods, Pernod Richard Winemakers, Australia Vintage, Aussie Growers Fruits, Saputo Dairy Australia.
- Manufacturing:** Bluescope, Sun Metals, Molycop, Asia-Pacific AgriCorp, Advances Circular Polymers, Orora, Adelaide Brighton, Mars, Laverton Steel Works, Coca-Cola Amatil, Carlton United Breweries, ANCA, Viva Energy, Orica.
- Universities:** Griffith University, Charles Sturt University, Central Queensland University, others.
- Local Gov:** Central NSW Joint Organisation, numerous regional councils via SSROC (such as Singleton, Port Stephens, Lake Macquarie) and Victorian Energy Collaboration (Greater Bendigo, 47 other councils across VIC).
- Other industries:** Ambulance Victoria; B-REP – Barwon Water, Barwon Health, Geelong Port; Water utilities (IWN), Water Corp WA, Victorian Desal.

Understanding PPA types

Retail PPA



Wholesale PPA



Community benefits and best practice



Principle 1:

PPAs should support decarbonisation of the electricity grid.



Principle 2:

PPAs should support further decarbonisation of the electricity grid by enabling other projects (e.g., storage).



Principle 3:

PPAs should support social, economic & environmental benefits to the region.



About the Central-West Orana REZ



Clean, affordable and reliable energy for NSW



At least three gigawatts of new transmission capacity solar, wind and storage projects within the next decade



\$10 billion of new investment to the region



Dedicated funding for community benefits



Up to 5,000 jobs in peak construction

Central-West Orana Renewable Energy Zone declared area

Benefits to communities

The REZ will provide localised community benefits in a number of ways:

- ✓ community benefit-sharing funding initiatives, including dedicated funding for community and employment purposes to be provided through generator access fees
- ✓ new local jobs and business opportunities during construction and operation, including initiatives to boost local employment and workforce capabilities
- ✓ additional payments to landowners for hosting transmission infrastructure under the NSW Government's Strategic Benefit Payment Scheme
- ✓ enabling infrastructure and services such as local road upgrades and telecommunication improvements.

Aerial image of Dubbo.

The Renewable Energy Journey of the Central NSW Councils

Background

- 11 councils in Central NSW
- Total load of approx. 58GWh pa (small sites, large sites and streetlighting)
- Contracts expiring in December 2022
- Strong interest from members in renewable energy
- Previous attempt to procure renewables in 2019 was not successful

Participating councils:
Bathurst, Blayney,
Cabonne, Cowra,
Central Tablelands Water,
Forbes, Lachlan, Oberon,
Orange, Parkes and
Weddin



Did councils get what they set out to achieve?

- Yes!
- 3 councils - 100% renewables
- 8 councils - 50% renewables
- CNSWJO region is 78% of total large sites and streetlighting load
- Reducing our region's emissions by 20,000t of CO₂e each year
- Supporting local projects, community benefits
 - Bodangora Wind Farm in Wellington for now, and then
 - Flyers Creek Wind Farm in Blayney when it becomes operational (currently under construction)
- 8-year contract with Iberdrola Australia commencing 1 January 2023
- We are finally off the rollercoaster!



Community benefits & PPAs

Westpac & Renew Estate and Spark Infrastructure

- 10-year PPA supporting new Bomen Solar Farm, Wagga Wagga, NSW.
- Ongoing partnership with Spark to deliver:
 - \$1 million local community support for the term of the contract.
 - Education program, local biodiversity and vegetation regeneration programs and local youth support.
 - Agreement included local employer and supplier spend outcomes during construction and multi-use options for the site.
 - Site groundcover selected to support grazing sheep and local native bee population.
 - Major tree-planting initiative.
- Employment & education outcomes:
 - 75% of construction team were local, 15% were of indigenous heritage and over 50% were long-term unemployed.
 - Bomen SF purchased supplies from over 90 local businesses (accounting for \$12m in direct spend).
 - Industry first 'Women in Solar' initiative – 12 local woman employed and TAFE-trained.



Over 5,000 trees planted at the site by Beon, with a further large-scale tree planting initiative in the local Eunony Valley expected to be funded by the Westpac Bomen Solar Farm Community Fund.



Summary of community benefits

Corporate Renewable PPAs are a way of sharing the benefits of renewable energy generation with the local area and building community value:

- Low-cost renewable energy.
- Greater price certainty and lower costs supporting economic development.
- Community benefits funding and associated social, environmental and economic regional projects.
- Opportunity for regional aggregation, e.g., Central NSW JO, B-REP.

But... *they aren't easy...*



Upcoming Introductory PPA training workshops

Throughout June, we will deliver 3-4 Introductory renewable PPA 'how to' information & training workshops for businesses and councils as follows in:

- Dubbo – Face-to-face – June 22, 0900-1100, The Exchange
- Mudgee – Face-to-face - TBC
- Online x 2

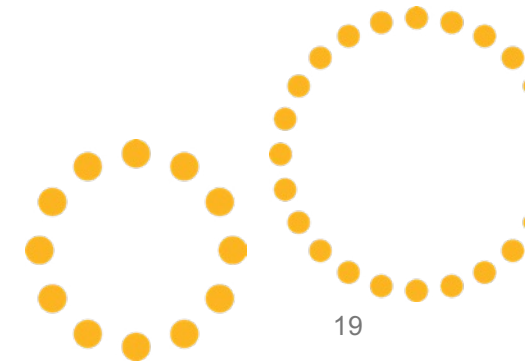
Each session will be 90-120 minutes. Dates and locations to be confirmed shortly (we will let you know via email).

Target audience

- Businesses and Councils with annual electricity spend of ca 20k per month.




Session content

- Training offered: Overview of the CWO REZ, what is a PPA, key PPA types, benefits & limitations, regional case studies, common challenges & how to manage them, community benefits & best practice, aggregation/group buying; upcoming Bootcamp details.
- Inputs sought from attendees: Regional issues.



How we work: BRC-A

To address these barriers and build capacity, we support industry in three key ways:

	<p>Community building</p> <p>Our approach is based on deeper engagement and community building, rather than just information dissemination. We have developed a community of practitioners from all sides of the PPA deal. Our bootcamps include ‘faculty’ – a group of experienced practitioners who have already completed PPAs. We build networks between new and experienced buyers so their learning goes beyond the bootcamp.</p>
	<p>Technical competency</p> <p>A strong focus on high technical competency is embedded in all our tools, events and workshops. A Market Advisory Panel oversees the development of BRC-A resources to support industry. This panel comprises peak industry technical experts including RE project developers, retailers, experienced corporate PPA buyers and advisers. To date, BRC-A has developed a suite of 20+ high-quality resources to support organisations execute corporate PPAs, and we continue to develop further resources to address the barriers.</p>
	<p>Increasing the quantity and the quality of deals</p> <p>At BRC-A, we strongly believe that in promoting high quality deals that also include social and community benefits, local jobs and supply chain developments to build social licence. We also recognise that PPAs are not for everyone and aim to create well-informed buyers so they choose if they want to do a PPA and what type of PPA will work for them.</p>



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AUSTRALIA

Get in touch

General Inquiry

Contact us

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More information

www.businessrenewables.org.au

Access our resources

www.businessrenewables.org.au/how-to-join

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