CEC Submission: Draft Guideline on Community Benefits for Renewable Energy Projects

August 2025

Introduction

The Clean Energy Council (CEC) welcomes the opportunity to make a submission on the *Draft Guideline on Community Benefits for Renewable Energy Projects.*

The CEC is the peak body for the clean energy industry in Australia. We represent and work with around 1,000 of the leading businesses operating in solar, on-shore and offshore wind and storage, as well as renewable hydrogen. We are committed to accelerating Australia's clean energy transformation.

The CEC supports measures that ensure proponents engage meaningfully, early and often and that benefits to host communities, including landholders, neighbours and Traditional Owners are tailored to local needs and realised in an equitable manner. CEC and our members are taking significant steps to improve the social performance of industry and evolve practices. Evidenced by annual reporting under CEC's Best Practice Charter, developing training guides and online courses, supporting the implementation of the Developer Rating Scheme and evolving the Capacity Investment Scheme merit criteria. CEC and our members are supportive of community engagement and benefit sharing policy settings that reward mature and high performing developers rather than setting the bar lower to cater for less experienced operators.

CEC and our members strongly support the intent of the *Draft Guideline on Community Benefits for Renewable Energy Projects* and welcome its introduction. Our submission is in three parts and touches on values of benefits, governance and administration and First Nations. It makes 10 specific recommendations and some high-level suggestions. The recommendations focus on accounting for uncertainty over 30-year financial commitments, defining what activities are considered benefit sharing, inclusion of BESS, strengthening commitments by integrating the guide with the planning regime and improving transparency for industry and stakeholders.

Benefit Value Guidelines:

CEC and our members support the guidelines nominating specific benefit sharing values to increase transparency and set expectations. CEC does however suggest the range be amended. CEC notes that the New South Wales 'Benefit-Sharing Guideline' for renewable energy projects, which is considered by industry to be the national standard, sets the following benefit sharing rates;

***Table 1: NSW Benefit sharing guideline rates*[1]**

Wind	*$1,050 per megawatt per annum*
Solar	$850 per megawatt per annum
Energy Storage	$150 per megawatt hour per annum, located in a rural zone (i.e. RU1 Primary Production, RU2 Rural Landscape, RU3 Forestry, RU4 Primary Production Small Lots),

CEC understands that the view of Energy Policy WA is that the increased rate for wind in the Draft Guidelines of 500–$1,500 per MW is based on wind projects in NSW also being subject to access fees and therefore projects in WA can afford a higher benefit sharing rate per MW.

Financial models of clean energy projects are complex, but CEC notes the following (1) WA projects have lower revenue per MW when compared to NSW due to lower wholesale market prices, i.e. spot price for the Q2 quarter in NSW were $161/MWh while in WA it was significantly lower at $90/MWh[2] (2) The offtake market in WA has seen less than half the volume of PPA's than in NSW[3] (3) Clean energy projects in Western Australia will face high competition for labour from established industries (4) projects that pay access fees have confidence their electrons will be dispatched and not curtailed which is becoming increasingly problematic in regions without access regimes. The combination of these factors is that the proposed upper end of the range in the draft guidelines may be impractical to realise and set unrealistic expectations.

While CEC understands the intent of providing a benefit sharing value range is to provide flexibility, it is the experience of CEC members that getting agreement at the beginning of a suggested range rarely occurs and therefore recommends a specific rate is nominated. Setting a specific rate will also have the benefit of increasing transparency and assisting negotiations between proponents and stakeholders. Furthermore, contracting 30- or 40-year financial commitments comes with significant uncertainty. For example, developers are modelling falling revenues due to a combination of the Large-scale Renewable Energy Target being legislated to end in December 2030 and wholesale prices lowering as renewable energy sources increasingly set the ceiling price and more expensive generators retire. To account for this uncertainty and provide investor confidence, it would be prudent for the guidelines to include a suggested benefit sharing cap or upper limit. The limit should balance accounting for uncertainty with delivering on community expectations that benefits will be shared to multiple community stakeholders through a variety of initiatives.

RECCOMENDATION 1: The benefit sharing value for wind should be amended to $1050 per MW per annum and $850 per MW per annum for solar.

[1] Benefit-Sharing Guideline
[2] The trend continues: a review of Q2 2025 spot prices - WattClarity
[3] clean-energy-australia-report-2025.pdf

RECCOMENDATION 2: The guidelines include a suggested upper limit of $500,000 per annum to account for future uncertainty.

Threshold for Large-Scale Solar: The lack of a defined threshold for solar projects may unintentionally capture small-scale or community-led projects. CEC recommends aligning thresholds with national benchmarks, such as the 5 MW threshold used by AEMO for semi-scheduled generators[4], to ensure proportionality and minimise regulatory burden.

Recommendation 3: Align thresholds with national benchmarks, such as the 5 MW threshold used by AEMO for semi-scheduled generators, to ensure proportionality and minimise regulatory burden.

Battery Energy Storage Systems (BESS)
The Draft Guidelines state there is no industry benchmark for BESS assets and benefit sharing. CEC notes the storage rates in the NSW guidelines (see above table) and that it's becoming industry standard to offer benefit sharing for BESS assets, especially when placed in regional locations. While the impact of BESS assets is significantly lower than wind or solar projects, for example a BESS asset of the same MW nameplate capacity will occupy less than 1% of the land of a wind project. Regardless, some communities may perceive BESS projects as high impact and a significant change to their sense of place. It's therefore important benefit sharing arrangements are in place for these communities. There is an opportunity for the guideline to define 'regional area' to provide greater clarity to communities and proponents. The guidance should be $/MW rather than $/MWh to ensure project viability and promote long term storage and the BESS rate should only be available to stand alone projects. Hybrid projects should use the generation method for wind or solar but only include the MW from generation. Finally, the guidelines should provide a level of flexibility to account for projects that have a large-scale energy storage system with a small solar system, these projects should allocate benefit sharing funds by combining the energy storage and solar generation methodology (i.e $/MW solar + $/MW energy storage).

RECCOMENDATION 4: The Guideline should include a benefit sharing value for standalone energy storage and match the NSW guidelines $150/MW per annum when located in a regional area.

Inclusion of guidelines relating to construction of transmission line infrastructure:
CEC notes the absence of specific guidance within the Draft Guideline regarding community benefit expectations associated with the construction of transmission line infrastructure, which is essential to enabling the renewable energy transition. As with storage infrastructure, transmission infrastructure plays a critical role in unlocking renewable generation and delivering energy security. CEC recommends the inclusion of clear, fit-for-purpose community benefit-sharing provisions for transmission projects associated with renewable energy builds to ensure that host communities are appropriately recognised and supported throughout the lifecycle of these developments.

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[4] External Procedures Template Mar 2015

RECCOMENDATION 5: Energy Policy WA should consult with industry and peak bodies to develop a benefit sharing value for transmission infrastructure.

Neighbour Benefits: The view of CEC and our members is that schemes that benefit neighbours are a component of the overall benefit sharing, rather than, in additional to. Including neighbour benefit schemes in the community benefit program ensures a consistent approach to neighbours benefitting from all renewable developments in WA. For example, developers are increasingly offering specific benefits to neighbours who live within set distances of turbines, i.e the Narrogin Wind Farm[5], Golden Plains Wind farm[6] and Clarke Creek Windfarm[7]. Not including neighbour benefit schemes as part of the community benefit sharing definition may result in unintended consequence where developers are discouraged from proceeding with neighbour benefit-sharing schemes on top of the community benefit-sharing, which will be a missed opportunity for generating community acceptance. Finally, the guidelines should make clear, that actions taken to to meet planning permit conditions, such as reducing visual impact like screening, or relocation of infrastructure/roads in response to neighbour feedback, are not part of neighbour benefit sharing schemes.

RECCOMENDATION 6: The guidelines confirm that neighbour benefit sharing schemes are a component of the per MW value, rather than, in addition.

Governance and Administration

Local Government as Community Benefit Agreement sole administrator: Assigning local governments as the sole assessors and administrators of Community Benefit Agreements (CBAs) may introduce risks of undue influence and perceived conflicts of interest. In some cases, local community may also not support the local government being the sole administrator. CEC feels there is a need for independent oversight and structured governance to avoid coercive dynamics and ensure transparency. Representatives from a cross-section of the community on a governance committee with a clear charter, would ideally work with local government and proponent to ensure a fair model that considers all areas of the community.

Clarity in CBA Requirements: The draft lacks sufficient detail on the structure and expectations of CBAs, which may result in inconsistencies and place undue resource burdens on local governments. CEC suggests the inclusion of standardised templates, clear valuation methodologies, and guidance on fund allocation to ensure consistency and fairness.

CBA Duration: Community benefits should be sustained throughout the life of the project to ensure long-term social and economic value. Accordingly, CEC suggests that the term of

[5] Economic Benefits – Narrogin Wind Farm
[6] Community Energy Program - Golden Plains Windfarm
[7] News – Queensland first to benefit from Squadron Energy Power Promise Program with bill bonus

CBAs be aligned with the full operational lifespan of the project. The benefit sharing value should also account for CPI.

Collaboration and legacy benefits: CEC notes comments from Energy Policy WA that developers should collaborate to deliver legacy style benefits. Collaborations between developers to deliver benefits are incredibly complex from a governance and legal perspective and experience shows it's more common for collaborations to occur between developers and third parties, for example, Squadron and Reswitch[8] or WestWind and Energy Locals[9]. Further, combining benefit funds from multiple developers would be most beneficial in regions with multiple developments, i.e renewable energy zones. In jurisdictions without these regimes, projects may be more geographically dispersed and in this scenario it's difficult to decide which region receives the legacy benefit. In the event projects are proposed in the same region, the Guidelines should encourage developers to coordinate engagement activities and seek to collaborate on roads/transport from port, worker accommodation, water and waste. This approach delivers benefits to communities through reduced consultation, upgraded infrastructure and avoids the complex legal and governance issues that arises when attempting to collaborate on benefit sharing.

Embedding benefit sharing within planning framework: Benefit-sharing commitments should be embedded in the DA conditions of approval to ensure that they are upheld over the project lifetime, regardless of asset sale/transfer of ownership. The benefit sharing value should increase based on CPI. CEC agrees that this needs to be tied to the project and not the proponent. These initiatives take time to develop, so while commitment to the $ per MW sum may be included in the DA, it is important that there is room and time for the community, proponent and local government to refine these long-term opportunities post DA rather than needing to have them bedded down ahead of the DA submission. Opportunities to further strengthen embedding CBAs within the planning framework could be achieved by placing a DA condition on the timeline that the final CBA needs to be negotiated and agreed to by all stakeholders.

RECCOMENDATION 7: Benefit-sharing commitments (i.e MW/$) should be embedded in the DA conditions of approval. Approval conditions should not include how benefit sharing is delivered to allow schemes to respond to community views as they evolve over the life of the project.

Benefit sharing and council rates: The standard view from industry is that benefit-sharing is in lieu and in addition to council rate payments, except where rates for clean energy projects are specifically increased to offset rates for other categories of landholders and businesses. For example, establishing a specific rate in the dollar amount for clean energy projects that is above the standard commercial or industrial rate in the dollar amount charged to other parties is a benefit (as it provides economic advantage by reducing rates). It's important the guide confirms that increased rates will impact the ability of the project to deliver other types of benefit sharing. Finally, CEC is of the view that it would streamline negations and increase transparency to set a standard and consistent methodology to

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[8] News – Queensland first to benefit from Squadron Energy Power Promise Program with bill bonus
[9] Community Energy Program - Golden Plains Windfarm

calculate rates for clean energy projects, like Victoria has done with Payment in Lieu of Rates scheme[10].

Recommendation 8: The guidelines include clarification that the additional cost of targeted differential rates on land hosting renewable energy projects will likely proportionately reduce the community benefit contribution in $ per MW. **Recommendation 9: Western Australia should adopt a payment in lieu of rates scheme and consult with industry and stakeholders on an appropriate MW/$ figure for each technology type.**

First Nations Benefit Sharing

CEC and our members recommend that there should be a requirement for First Nations benefit-sharing as a component of the community benefit-sharing, CEC has seen examples where this is 25-30% of the total value of benefit sharing. Guidance could be given on percentage range within the overall MW sum to be allocated to First Nations benefits. The design, delivery and administration of First Nations benefit-sharing should be guided by the principle of free, prior and informed consent and self-determination, and subject to discussion with the Elders and cultural authorities of the First Nations community rather than being mandated by the guidelines. It is important for developers to consider that different resourcing approaches may be needed (i.e specific First Nations engagement advisor and specific First Nations engagement & benefit plan), and adequate budget allocated to the development and delivery of First Nations benefit-sharing.

RECCOMENDATION 10: The guidelines include a requirement for First Nations benefit-sharing as a component of the community benefit-sharing

Thankyou for the opportunity to provide feedback on the *Draft Guideline on Community Benefits for Renewable Energy Projects*. CEC welcomes further engagement on this matter – please contact Nathan Hart – Director Advocacy & Community Engagement nhart@cleanenergycouncil.org.au

[10] Payment in lieu of rates for electricity generators

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