

To make the move to renewables, get the communities engaged

By Satya Tanner

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The global energy system is shifting and with it brings great economic opportunity to continue Australia's history of wealth creation from producing energy exports, especially for our regions.

In the coming years, our current mix of energy and mineral exports will be at risk as trading economies look to reduce their carbon footprint. From 2026, the EU Carbon Border Adjustment Mechanism will hit our forecast [\\$417 billion of](#) exports by imposing a price on the amount of carbon emitted during the production of carbon intensive goods that enter the EU. Some of our Asian neighbours have already implemented carbon taxes and trading exchanges with [more expected in the coming years](#).

Without doubt, we will need to shift our energy exports into a new form, one that will bring our community even greater economic returns than that from which we have benefitted to date. Instead of a dig and ship economy, by building co-located renewable energy systems we can, for example, add in a processing step onshore for minerals such as iron ore, and begin exporting "green iron ore pellets" to big manufacturers in Europe and other countries that lack our abundant sun and wind sources.

Domestically too, we can move away from reliance on imported fuels and gas, and instead turn to electrification of machinery, transport and industrial processes through technologies such as heat pumps, batteries, electric vehicles, and industrial green hydrogen. This offers similar tremendous advanced manufacturing supply chain opportunities both here in Australia and for export to the world.

Any success will depend on the outcome of engaging with communities, both in specific locations and more broadly across the country, in a way that communicates the opportunity well and invites participation. We know that unsatisfactory consultation processes on renewables projects have caused problems. The current government's request for the Energy Infrastructure Commissioner to review the processes has seen the acceptance in principle of wide-ranging recommended improvements.

In many communities there is, in fact, significant support for these new energy forms and manufacturing opportunities, but in others, not so much. If we look to Europe, particularly on wind energy projects, we can see similar challenges in its history. In communities where the original impetus for setting up nearby renewable energy projects arose from a grassroots movement, and where substantial economic benefit accrued, they suddenly found themselves in a top-down infrastructure roll-out with responsibility for decision-making being taken away.

Developers in Denmark in particular found that when they offered land lease payments to farmers, without compensating the broader community, it created fierce resistance more broadly. However, developers that offered up share options and planning participation to communities were the only ones to successfully construct their projects. So successful that the

Danish Government adopted the principle in 2009, requiring developers to offer up to 20% share options to all residents within 4.5km of an onshore wind farm project.

Many developers were initially resistant to co-ownership and co-design; but in practice they found it reduced the risks of their project and brought better returns. Community planning participation meant that community members with a better detailed understanding of the project's location requirements, site constraints and the wider concerns and needs of the community would save the developers time and cost by avoiding otherwise poor choices.

Offering financial participation through shares meant that instead of all of the benefits flowing to a large backer, reserving some of those benefits for the community ensured that the project was locally "owned" – both in financial and aspirational terms. The most successful developers didn't limit the local offering to 20%. They allowed the community to take all it could raise, and their large investor took the remaining shares.

Of course, what worked in Europe won't necessarily work in Australia and context is everything. But the same principles can apply to the situation we are facing in our own energy shift: an invitation for communities to participate.

With this enormous new export opportunity in front of us, where there is an option for clean energy infrastructure to be located, communities would be wise to consider coming together, and asking for financial and planning participation from developers.

This will ensure that regional communities will have the opportunity to be on the ownership side of the equation, through a contribution that secures a piece of the new economic pie. It will also ensure community members are involved in important matters such as project siting and finding good solutions to environmental impacts, leading to better outcomes for all.

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