Planning and Environment Act 1987

CORANGAMITE PLANNING SCHEME

AMENDMENT C54cora

EXPLANATORY REPORT

Who is the planning authority?

This amendment has been prepared by the Minister for Planning, who is the planning authority for this amendment.

The amendment has been prepared at the request of ACEnergy Pty Ltd.

Land affected by the amendment

This amendment applies to 70 Littles Lane, Terang (Lot 2 PS609914G) as shown in Figure 1.

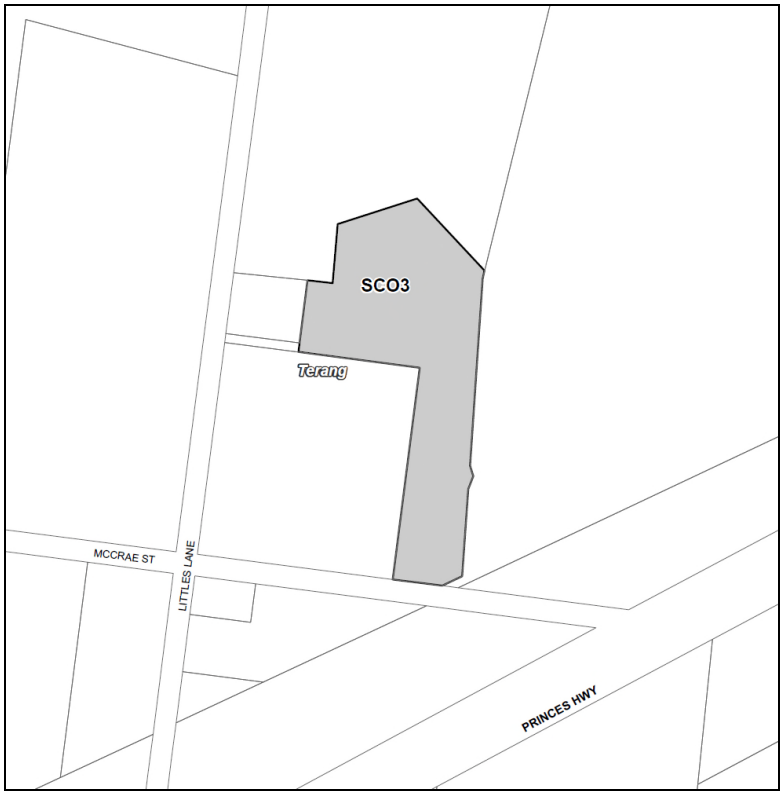

Figure 1. Project area

What the amendment does

The amendment applies the Specific Controls Overlay (SCO3) to 70 Littles Lane, Terang, and include a new incorporated document titled '*Terang Battery Energy Storage System (BESS) – 70 Littles Lane, Terang - Incorporated Document - February 2021*' (the Incorporated Document) in the Corangamite Planning Scheme to facilitate the project.

Specifically, the amendment proposes the following changes to the Corangamite Planning Scheme:

- Amends Planning Scheme Map 15SCO and applies SCO3 to the land.
- Amends the Schedule to Clause 45.12 (Specific Controls Overlay) and Schedule to Clause 72.04 (Documents Incorporated in this Planning Scheme) to include the '*Terang Battery Energy Storage System (BESS) – 70 Littles Lane, Terang - Incorporated Document - February 2021*'.

Strategic assessment of the amendment

Why is the amendment required?

The amendment applies the Specific Controls Overlay to the land to facilitate the use and development of Utility Installations (battery energy storage system (BESS), switching station). The Incorporated Document will facilitate the use and development of the BESS facility, subject to conditions, streamlining the approval process for the project.

The BESS facility is a key infrastructure project that will significantly contribute to the Victorian Government's renewable energy transition and help meet the targets set within the Renewable Energy (Jobs and Investment) Amendment Bill 2019.

The BESS facility will have a capacity of 220MWh. The economic benefits include both investment and job opportunities, with an estimated development cost of $250 million and with the creation of 70 construction jobs and 5 ongoing jobs. The grid-reliability benefits include reducing the risk of blackouts by helping to manage supply and demand as well as frequency disruptions.

How does the amendment implement the objectives of planning in Victoria?

The amendment implements the following objectives of planning in Victoria as set out in section 4 of the *Planning and Environment Act 1987*:

(a) To provide for the fair, orderly, economic and sustainable use and development of land,

(f) To facilitate development in accordance with the objectives, and

(g) To balance the present and future interests of all Victorians'.

The amendment will provide for the fair, orderly, economic and sustainable use and development of the land by facilitating the use and development of the Terang BESS facility in an expedient manner ensuring that the benefits of the scheme are realised in the short term. The amendment will enable approvals of the facility to be coordinated by the Minister for Planning.

The associated project will improve grid-reliability, and make a contribution to the state achieving its net zero emissions for 2050 whilst also providing the economic benefits of jobs both in the construction and operation of the facility.

How does the amendment address any environmental, social and economic effects?

The amendment will have a net community benefit to Victoria.

<u>Environmental Effects</u>
The amendment will have a positive impact overall on the environment. By aiding the transition to renewable energy sources in Victoria, the Terang BESS will ultimately reduce the environmental effects and air pollution of traditional fossil fuels. The 220MWh BESS will provide support to Victoria by connecting directly to the Terang Terminal Station, store energy that would otherwise be lost and supply it at times of peak demand. This will help reduce the overall electricity supply demand reducing the energy generation requirement for Victoria.

The construction and operation of the facility will also have negligible impacts on its immediate environment. There will be no loss of biodiversity or native vegetation whilst noise mitigation and stormwater retention ensure that any potential environmental impacts are negligible.

<u>Social Effects</u>
The amendment will have a positive social impact on the local community by providing local jobs both during the construction and operation of the facility, and improving grid-stability to reduce the likelihood of blackouts.

The facility has been designed to include visual buffers and noise attenuation to ensure amenity impacts on the surrounding area are minimised. The facility's location adjoining the Terang Terminal Station further minimises visual impacts and reduces the removal of agricultural land in the wider locality.

Economic Effects

The amendment will facilitate a $100 million development and the creation of up to 50 full time equivalent construction jobs in the development of the Terang BESS facility.

The amendment facilitation of the project will see the increased demand for local goods, accommodation and materials during the construction phase which will also contribute to the local economy.

The amendment will contribute to local economic recovery following the Covid-19 lockdown in the short term.

Longer term economic benefits include the creation of up to five full time equivalent jobs created for the operation and maintenance of the facility, whilst the energy efficiency created by the facility contributing to renewable energy targets will ultimately help drive down electricity prices. A key longer term economic benefit is the impact on electricity network capacity in Victoria.

Does the amendment address relevant bushfire risk?

The amendment appropriately addresses the relevant bushfire risk of this bushfire prone area land. The BESS facility has been designed in accordance with the CFA Guidelines for Renewable Energy Installations to minimise bushfire risk. Further, assessment of the facility against the objectives and strategies of Clause 13.02 of the Corangamite Planning Scheme indicate that these are met through the design of the facility which includes onsite precautions and the low risk from the site and the surrounding area. The site is located directly adjacent to Terang Township, enabling immediate access to emergency services. The facility will also be managed in line with the CFA Guidelines as per clauses of the Incorporated Document. The siting, operation and maintenance of the facility is in accordance with the relevant standards. Therefore, the amendment does not increase the risk to life, property, community infrastructure or the natural environment.

Does the amendment comply with the requirements of any Minister's Direction applicable to the amendment?

The amendment complies with the requirements of the Ministerial Direction on the Form and Content of Planning Schemes and has been prepared in accordance with Ministerial Direction No. 11: Strategic Assessment of Amendments

How does the amendment support or implement the Planning Policy Framework and any adopted State policy?

This amendment supports and implements the Planning Policy Framework:

The project responds to the need for electricity storage and the increase of renewable energy on the land (Clause 11 Settlement) and meets the objective of Clause 11.02-1S (Settlement) through the provision of infrastructure to support sustainable urban development.

The careful location of the BESS facility ensures native vegetation and the site's biodiversity won't be impacted. (Clauses 12.01-1S Protection of biodiversity, 12.01-2S Native Vegetation Management and 12.05-2S Landscapes). Furthermore, the amendment enables the BESS facility to locate adjacent to the Terang Terminal Station (already a highly modified environment) which ensures that the proposed facility will not impact on any significant landscape or open spaces that contribute to the character of the area. In addition, additional landscaping required by the Incorporated Document will also assist in enhancing the landscape values within the immediate area in accordance with Clause 12.05-2S.

The amendment will ensure that there are no significant hydrological impacts from the proposed facility in accordance with Clauses 13.03 (Floodplains), 13.03-1L (Floodplain management in Corangamite Shire), and 14.02-1S (Catchment Planning and Management) and that the objectives of Clause 13.05-1S (Noise Abatement) regarding the control of noise effects on sensitive land uses are met through mitigation measures.

The amendment will ensure that an appropriate balance is achieved between safeguarding community amenity while facilitating appropriate development that will provide a net community benefit as per Clause 13.07-1S (Land Use Compatibility).

The amendment implements the objectives of Clauses 14.01-1S (Protection of Agricultural Land), 14.01-1L (Protection of agricultural land), and 14.01-2S (Sustainable Agricultural Land) which seek (amongst other things) to protect productive farmland that is of strategic significance, to avoid the permanent removal of productive agricultural land and to encourage sustainable agricultural land use. The amendment implements these objectives by enabling co-location adjoining a property with an established utility use, therefore minimising the removal of productive agricultural land around Terang, the proposed addition of a BESS facility is not considered to detract from the ongoing use, or potential use of nearby land for agricultural purposes. The land area proposed for the BESS facility is approx. 1.5ha, whilst allowing the balance of the land to continue to be used for agricultural purposes.

The proposal responds positively to the urban design strategies contained at Clause 15.01-1S (Urban Design) by providing a landscape buffer around the proposed facility to support the amenity and attractiveness of the public realm. Furthermore, it is considered that the development appropriately responds to the principles of Clauses 15.01-6S (Design for Rural Areas) and 19.03-2L (Infrastructure Design and Provision) by co-locating the proposed facility with existing utility infrastructure. Based on the pre-existing modified landscape, combined with the proposed vegetation screening along the boundaries of the site, the proposed facility is considered an acceptable addition to the rural landscape.

The amendment will support Clauses 15.02-1S (Energy and Resource Efficiency), 19.01-1S (Energy Supply) and 19.01-2S (Renewable Energy) by providing a valuable resource to augment power supplies and provide back up and security of supply to Victoria's electricity network during periods when reliability of supply is at risk, for example during extreme weather events or power station outages. By applying the SCO to the site facilitating the use and development of the Terang BESS facility, the Amendment will encourage development that is energy and resource efficient and contribute to minimising greenhouse gas emissions. By adopting new technology, the project will improve efficiency in energy use, saving energy that would otherwise be lost and discharging it back into the grid when it is at peak demand.

How does the amendment support or implement the Municipal Planning Strategy?

The amendment supports and implements the Municipal Planning Strategy (MPS) at clause 2.

The amendment will facilitate a BESS facility (utility installation) which will be appropriately integrated into its surrounding context connecting to an existing terminal station. Whilst the site is currently within the Farming Zone, it will not inhibit the highly productive agricultural land identified in the MPS as within the Timboon, Cobden and Simpson areas. The development will also implement bushfire protection measures without the need to remove any significant or native vegetation from the site.

The proposed battery storage facility will assist in providing more affordable, resilient and reliable energy supply to the Victorian community ensuring that existing and future residential development benefit from adequate services.

Does the amendment make proper use of the Victoria Planning Provisions?

The amendment makes proper use of the Victoria Planning Provisions by applying the Specific Controls Overlay and accompanying Incorporated Document to the site. The purpose of Clause 45.12 is to apply specific controls to achieve a particular use and development. Amending the planning scheme to apply the SCO3 and Incorporated Document is the most appropriate method of expediting the planning process and securing the economic, social and environmental benefits offered by the development.

How does the amendment address the views of any relevant agency?

The views of the relevant agencies have been considered in developing the Incorporated Document controls and in guiding the Terang BESS facility objectives.

Does the amendment address relevant requirements of the Transport Integration Act 2010?

The amendment is consistent with the requirements of the *Transport Integration Act 2010*. The amendment will not have an impact on the transport system.

Resource and administrative costs

- **What impact will the new planning provisions have on the resource and administrative costs of the responsible authority?**

The amendment provides new planning controls in the Corangamite Planning Scheme to guide the use and development of the site for the Terang BESS facility. The amendment identifies the Minister for Planning as the responsible authority for the approvals (endorsement of incorporated plans) required under the clauses of the Incorporated Document. Therefore, it is not anticipated the amendment will have a significant administrative impact on the Corangamite Shire Council, as streamlined planning controls for the site will be introduced.

Where you may inspect this amendment

The amendment is available for public inspection, free of charge, at the Department of Environment, Land, Water and Planning website www.planning.vic.gov.au/public-inspection or by contacting the office on 1800 789 386 to arrange a time to view the amendment documentation.

The amendment can also be inspected free of charge at the Corangamite Shire Council website www.corangamite.vic.gov.au or during office hours at the Corangamite Shire Council Civic Centre, 181 Manifold Street, Camperdown VIC 3260