

Renewable energy projects on softwood plantations

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KPMG Financial Advisory Services (Australia) Pty Ltd (“KPMG”)

Opportunity to develop renewable energy projects on Forestry Corporation of NSW’s softwood forestry plantations

Overview

In November 2021, the NSW Parliament passed amendments to the *Forestry Act 2012* as part of the *Energy Legislation Amendment Bill 2021* to facilitate the opportunity to establish renewable energy infrastructure in State forest pine plantations.

The legislation change means that Forestry Corporation could issue a permit to a third-party to conduct feasibility studies on developing renewable energy infrastructure on the plantations, which may lead to the construction of a facility and the generation of electricity.

Key elements



Pairing two renewable industries – energy and timber

- Building renewable energy facilities in plantations maximises the use of existing land assets
- Renewable energy can be compatible with timber production and other forest activities



The legislation protects timber volumes and plantation land area

- Timber supply to customers must be maintained
- There is a requirement of two-for-one replacement land in the same locality
- The limit on the maximum area of plantation land that can be used for renewable energy infrastructure is 0.7% of the total plantation area



Renewable energy projects can bring a range of benefits to communities

- These include jobs and the use of local services, developer-funded road upgrades, tourism opportunities and improved communications infrastructure in rural areas
- Many developers also create Community Benefit Funds, for use on community projects



Existing (State) planning requirements will apply

- Proposals need to meet Forestry Corporation’s criteria in order to be issued a permit
- Any development would be subject to the normal planning application and approval process
- This includes environmental assessments and community consultation



Plantations can be more suitable than other sites for renewable energy projects

- Plantations have existing infrastructure (roads) in place and are generally some distance from neighbouring houses
- There are a number of transmission lines that already run through plantations



Conditions of a permit would include measures to manage bush fire risk

- For example, fire training and resources for project staff, vegetation management around the energy infrastructure, communications and fire / smoke detection tools



Energy generation is transitioning towards renewable sources

- This project is consistent with State and Commonwealth Government strategies for reducing carbon emissions and reaching renewable energy generation targets



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Registration of interest

Forestry Corporation, together with their appointed advisor KPMG, is commencing a formal process to identify market interest in this opportunity. Renewable energy providers are being asked to register their interest in establishing renewable energy facilities on the State-owned softwood plantation estate in NSW.

The registration of interest process will help understand what and where renewable energy projects might be feasible. Depending on the level of interest, detailed proposals may be sought at a later date. Feasible proposals could be issued with a permit for investigating their renewable energy development concept further.

Potential sites

Potential proposals for renewable energy facilities can only be considered within pine plantations. Forestry Corporation has identified ten plantation sites that may be considered at the following locations:



For further information, visit www.forestrycorporation.com.au or email renewable.energy@fcnsw.com.au

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