



15 September 2021

Committee Secretary
Senate Standing Committees on Environment and Communications
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Flotation Energy Pty. Ltd.

Submission to the Senate Environment and Communications Legislation Committee

Re: Offshore Electricity Infrastructure Bill 2021 and Offshore Electricity Infrastructure (Regulatory Levies) Bill 2021

Flotation Energy Pty Ltd (ACN 637 047 039), a wholly owned subsidiary of Flotation Energy plc (UK Company Number SC597702), a specialist offshore wind developer, makes this submission to the Environment and Communications Committee's inquiry with respect to the *Offshore Electricity Infrastructure Bill 2021* and the *Offshore Electricity Infrastructure (Regulatory Levies) Bill 2021* ("the Bills").

About Flotation Energy

Flotation Energy has a proven track record in the development and delivery of offshore wind projects, with the team delivering some 3GW of pioneering fixed offshore wind projects and the world's largest operational floating wind project (the 50MW Kincardine Offshore Floating Wind) in the UK. In February 2021, Flotation Energy plc secured development rights in UK Round 4 for a 480MW fixed project in the Eastern Irish Sea (UK), with its long-term joint venture partner, ACS Cobra.

In early 2019, Flotation Energy brought its experience and expertise to Australia for the development of the 1.5GW Gippsland Offshore Wind Farm in Bass Strait, off Ninety Mile Beach between Seaspray and Golden Beach. Flotation Energy will shortly refer the project under the EPBC Act and Victorian Environmental Effects Act and is investing significant development expenditure for feasibility, design and scoping activities. In addition, Flotation is studying the technical and commercial feasibility of re-use of redundant petroleum assets in Bass Strait to reduce the decommissioning burden.

Flotation Energy has the expertise and ability to deliver the Gippsland Offshore Wind project mid to late 2020's, subject to the successful granting of the relevant licences and regulatory consents. The project will connect to the National Electricity Market (NEM) in Gippsland, helping to replace the Latrobe Valley thermal coal generators due to retire in the coming decades and maintain the region's contribution to the energy market.

Our Submissions

Flotation Energy wholeheartedly supports the Bills and development of the legislative framework to enable offshore wind projects to proceed and provide certainty to investors. Our submission to this inquiry supports timely finalisation of the Bills and subordinate legislation and policy, enabling projects to apply for licences and unlock development capital. Given that offshore wind projects can have 6 to 8 year development timeframes, it is crucial that these projects are progressing now in order to play a part in the "just transition" for coal, oil and gas workers as these industries decline. Our project will bring significant investment and jobs to the Gippsland region, where

the existing capable workforce has a proud history of delivering much of south-eastern Australia's power and natural gas.

Our overarching view is that the Bills, in their current form, provide a workable framework and certainty for offshore wind developers like us. We respectfully make the following submissions to the inquiry:

- Declaration of areas should occur as soon as possible after the legislative framework has been introduced into law. Areas should be declared that allow multiple projects to proceed simultaneously, which will support development of a strong offshore wind industry and provide certainty for local supply chains to invest.
- Details of the licensing scheme should be finalised, allowing licence applications to be made as soon as possible. Licence applications should be processed expediently so that proponents such as Flotation Energy can progress with offshore wind projects that have been in development for a number of years. As noted above, offshore wind projects can have 6 to 8 year development timeframes so need certainty now if power is to be delivered into the NEM before 2030.
- Flotation Energy supports the requirement to provide financial security for decommissioning, removal of infrastructure and remediation of offshore wind projects, as an important component of "social licence to operate". Clarity is needed with respect to the timing for provision of financial security, with consideration to the different risks that exist at various stages of the project. Financial security should not unduly quarantine working capital (e.g. before construction commences), which could deter or inhibit proponents from investing in projects.

Flotation Energy thanks the Commonwealth Government for considering our submissions and engaging with us over the last few years. We welcome the introduction of the Bills and associated regulatory framework and look forward to a bright future for Australia's offshore renewable energy industry.

We would be very pleased to provide further input and offer our expertise and experience unreservedly. I can be contacted at [REDACTED].

Yours sincerely,



Tim Sawyer
Managing Director
Flotation Energy Pty Ltd