



14 September 2021

SUBMITTED BY APH.GOV.AU WEBSITE AND EMAIL (ec.sen@aph.gov.au)

To: Environment and Communications Legislation Committee

Dear Committee,

**OCEANEX ENERGY PTY LTD
SUBMISSION TO ENVIRONMENT AND COMMUNICATIONS LEGISLATION COMMITTEE
INQUIRY INTO OFFSHORE ELECTRICITY INFRASTRUCTURE BILL 2021 (CTH) AND
OFFSHORE ELECTRICITY INFRASTRUCTURE (REGULATORY LEVIES) BILL 2021 (CTH)**

Oceanex Energy Pty Ltd, an Australian offshore wind farm developer and owner ('**Oceanex**'), makes this submission in respect of the Environment and Communications Legislation Committee's inquiry into the *Offshore Electricity Infrastructure Bill 2021* (Cth) and *Offshore Electricity Infrastructure (Regulatory Levies) Bill 2021* (Cth) ('**Offshore Bills**'). The Offshore Bills were introduced into Parliament by the Minister for Energy and Emissions Reduction, the Hon. Angus Taylor MP, on 2 September 2021, and form part of a broader regulatory framework governing offshore electricity infrastructure regulation.

Oceanex is hugely supportive of the Bills and the future direction the framework sets out in establishing a clear pathway for the offshore wind industry to grow and prosper in the many decades to come in Australia. Our main submissions, as outlined below, encourage the expedient finalisation of the Bills and overall framework and ensuring that 'declared areas' (as defined in the Bills) and associated licences are made available for application as soon as possible and granted in a timely manner to allow projects to progress.

Oceanex is ready, willing and able to immediately commit further significant expenditure into its' priority projects off the coast of Newcastle and the Illawarra and welcomes the Bills ability to allow this to occur (subject to successful granting of the relevant licences). Our projects are timed to provide much-needed economic and energy benefits to coincide with numerous regional closures of power plants forecast over the next 10-15 years and Oceanex has been moving quickly to ensure that its' projects can start commencing electricity production from the late 2020s to meet required demand.

The founders of Oceanex are also two of the founders of the Star of the South (and remain shareholders in that project) and have been heavily involved in introducing offshore wind to Australia and working with the Cth Government since 2015 to shape a policy framework that provides enough certainty for developers and investors to commit significant capital to progress projects. Oceanex is currently developing up to 10,000MW of projects in Australia including off the coast of the Hunter Valley (Newcastle), Illawarra (Wollongong/Port Kembla), Ulladulla, Eden



and Bunbury. All projects are in the feasibility phase, with all pre-feasibility activities completed satisfactorily. We are also developing up to 3,000MW of projects off the coast of New Zealand.

More detail on Oceanex is provided later in this submission.

We believe the Offshore Bills in the current form, on the whole, largely provide the certainty required for developers and investors like Oceanex to rapidly accelerate projects and commit expenditure expected to be in the tens of billions of dollars once projects are constructed and operating.

We look forward to helping realise the objectives recognised by the Cth Government which include the creation of new jobs, regional development and significant investment in Australia's coastal economies. To achieve those objectives, there are some areas that Oceanex respectfully submits should be considered to help shape the Offshore Bills provide greater certainty to investors to commit the expenditure required to develop supply chains, plan projects, work closely with communities and attract the further investment required.

Submissions

Oceanex makes the following submissions in respect of the Offshore Bills as presented to Parliament:

- Details on licensing scheme be provided and implemented at the earliest convenience – that the regulations that will detail the process for applicants to apply for licences (especially 'feasibility licences', 'commercial licences' and 'transmission and infrastructure licences') be introduced into law as soon as possible so that applications may be made by those wishing to progress activities required to develop then construct, operate and maintain offshore electricity projects. Offshore wind farms, in particular, take many years from conception to construction, so there is little time to lose, especially given the competition for investment capital for similar projects globally.
- Declaration of zones be made at the earliest convenience – a number of projects have been announced, including many by Oceanex, and it is submitted that the whole regulatory framework, headlined by the Offshore Bills, be finalised and introduced into law expediently so that the Minister can start the process for declaring areas and granting licences sooner rather than later.
- Expedient process for dealing with licence applications be applied – the licensing scheme should provide a streamlined process taking into account that companies such as Oceanex have done many years of work already in preparing local communities and regions for offshore projects and are ready to commence detailed work and commit significant development expenditure. We submit that the process from the publication of a notice seeking submissions from the public as to the suitability of a declared area through to the granting of the relevant licence take no more than a maximum of four (4) to six (6) months.



- Confirmation on timing of the placement of financial security so as to minimise impact on working capital – that more detail be provided on when financial security be provided in respect of decommissioning, taking into account the opportunity cost and impact that has on working capital being redistributed to potential risks that vary at different stages of projects. Oceanex understands the need for the financial security but submits that it needs to be applied in a manner that does not deter parties from committing capital for the benefit of, and optimising, projects.

Oceanex and its' founders have had the benefit of working with the Cth Government, Opposition, State Governments, local governments, industry (local and international), Traditional Owners, key stakeholders and those otherwise interested, for many years and welcomes the introduction of the Bills and associated regulatory framework.

About Oceanex Energy

Oceanex Energy Pty Ltd (**'Oceanex'**), is an Australian company owned by its' Australian co-founders (Andy Evans and Peter Sgardelis, two of the co-founders of the Star of the South and still two of the shareholders in that project) and Green Tower B. V. (an international sector specialist investor).

Oceanex is actively developing a portfolio of at least 5 offshore wind farms off the coast of New South Wales and Western Australia, with a particular emphasis on the development and deployment of 'floating foundation' technology, which is deployed in waters deeper than 50 metres, which most of Australia's coastline is. The projects will result in nearly 10,000MW of installed capacity in locations chosen on a set of key criteria necessary to meet the economic development objectives of the creation of new jobs, regional development and significant investment in Australia's coastal economies as well as the energy system requirements of strengthening the security, reliability and affordability of electricity supply in Australia. The use of floating foundations also creates an incredible innovation opportunity for Australia to create intellectual property and know-how that can be used globally.

Our projects proposed off the coast of the Hunter Valley (Newcastle), Illawarra (Wollongong/Port Kembla), Ulladulla, Eden and Bunbury have been carefully chosen to utilise the strong existing industry and skillsets of those regions, existing local infrastructure (especially grid transmission that will become available over the next 10-15 years in the Hunter and Illawarra), access the strong wind resource at sea to generate consistent energy production at scale, create significant jobs and investment and instil a sense of regional pride for what will be nationally-significant projects.

Each of the five (5) projects in the Oceanex portfolio is planned to be of approximately 2,000MW and have the following economic benefits (per project):

- Creation of 3,000+ direct jobs during a construction period of 3-4 years
- Creation of 300+ direct jobs during an operating life of 30 years



- Capital expenditure of approximately A\$10 billion
- Powering of 1,000,000+ homes

As evidenced since the Oceanex founders created the Star of the South in 2012, Oceanex is committed to 'on the ground' development of an offshore wind industry in Australia based on sincerity, respect for the environment within which we operate, good planning and attraction of appropriate investment to grow and maintain sustainable projects for decades to come.

Oceanex commends Minister Taylor (and his office), the Department of Industry, Science, Energy and Resources, NOPSEMA and the many other agencies we have worked with over the years on introducing the Bills and we support their quick progression through Parliament to be enacted into law so that companies like Oceanex can bring to fruition the many benefits for Australia and the local regions involved in projects.

We would be delighted to provide further detail on our submission, projects or our learnings and can be contacted at [REDACTED] (Andy Evans) or on +61 [REDACTED].

Yours sincerely



Andy Evans
Chief Executive Officer
Oceanex Energy Pty Ltd