



**Offshore
Infrastructure
Regulator**

Regulating offshore renewables

University of Western Australia

15 August 2024

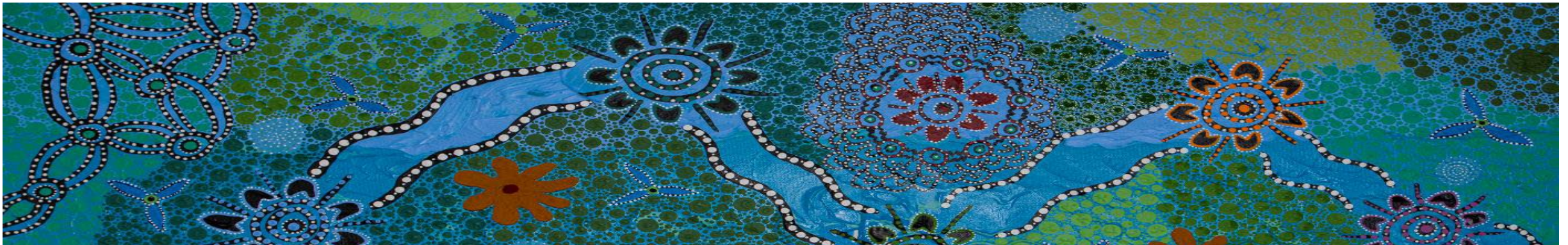
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Offshore Infrastructure Regulator



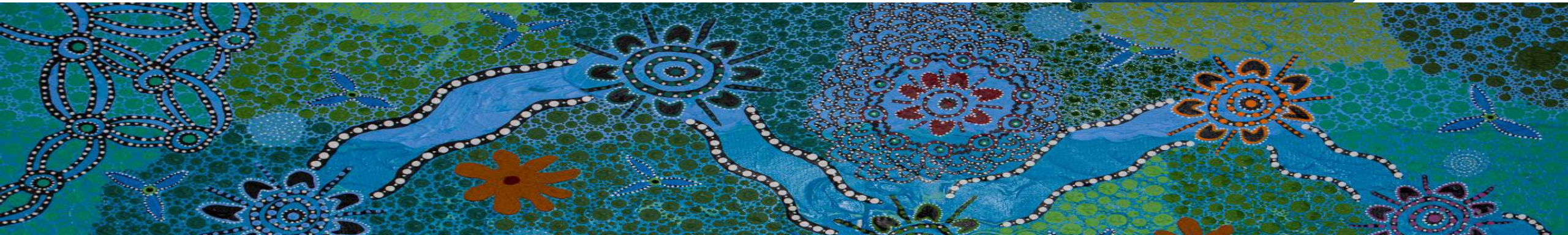
Acknowledgement of Country

We respectfully acknowledge the Whadjuk people of Noongar Boodjar, Traditional Custodians of the land on which we meet today, and pay our respect to Elders past, and present.



Outline

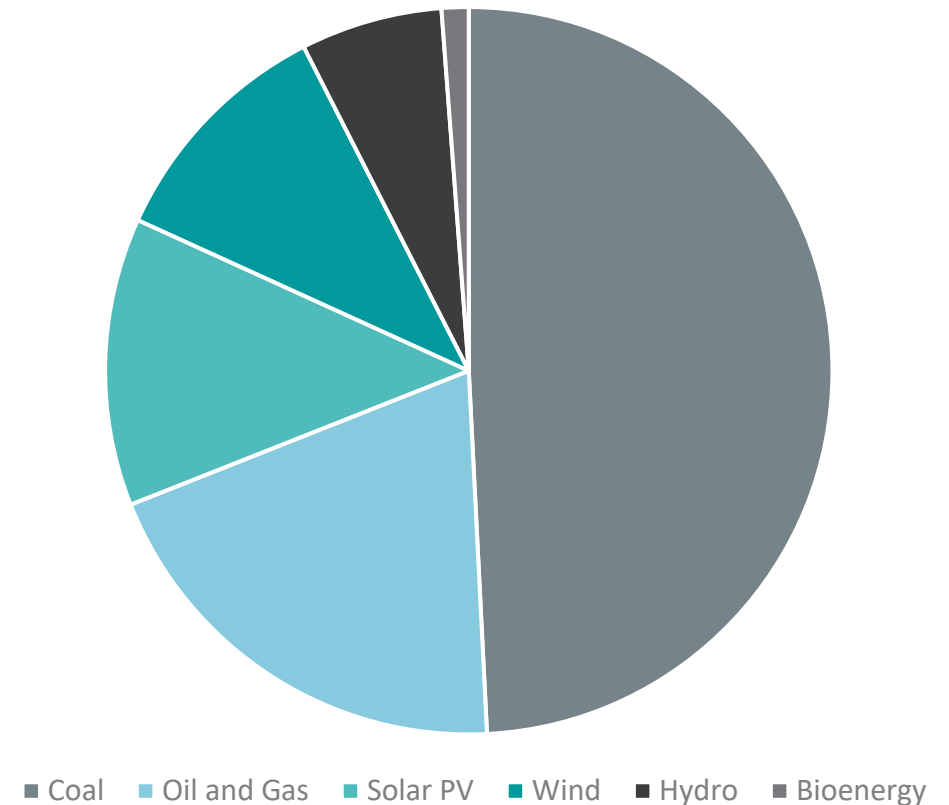
- Setting the scene
- The regulatory framework
- The current state of play
- Looking forward



Setting the scene - Australian Government energy policy

- Net zero economy by 2050
- 43% emissions reduction on 2005 levels by 2030
- 82% of electricity supplied by renewable energy sources by 2030
- Secure, reliable and affordable electricity
- Victoria has legislated 9GW of offshore wind by 2040

Electricity Generation in Australia 21/22



Australian Energy Statistics 21-22

Energy consumption down

▼ **0.1%**

Lowest in 10 years
7% below peak



Down from 84%
in 2000-01

47%

Electricity
generation
from coal
in 2022



Highest on record

32%

Electricity
generation
from
renewables
in 2022

Petrol consumption lowest
since 1970s



23%

below 10 years ago



▲ **25%**

Growth in solar generation
in 2022

Residential & commercial energy
consumption up



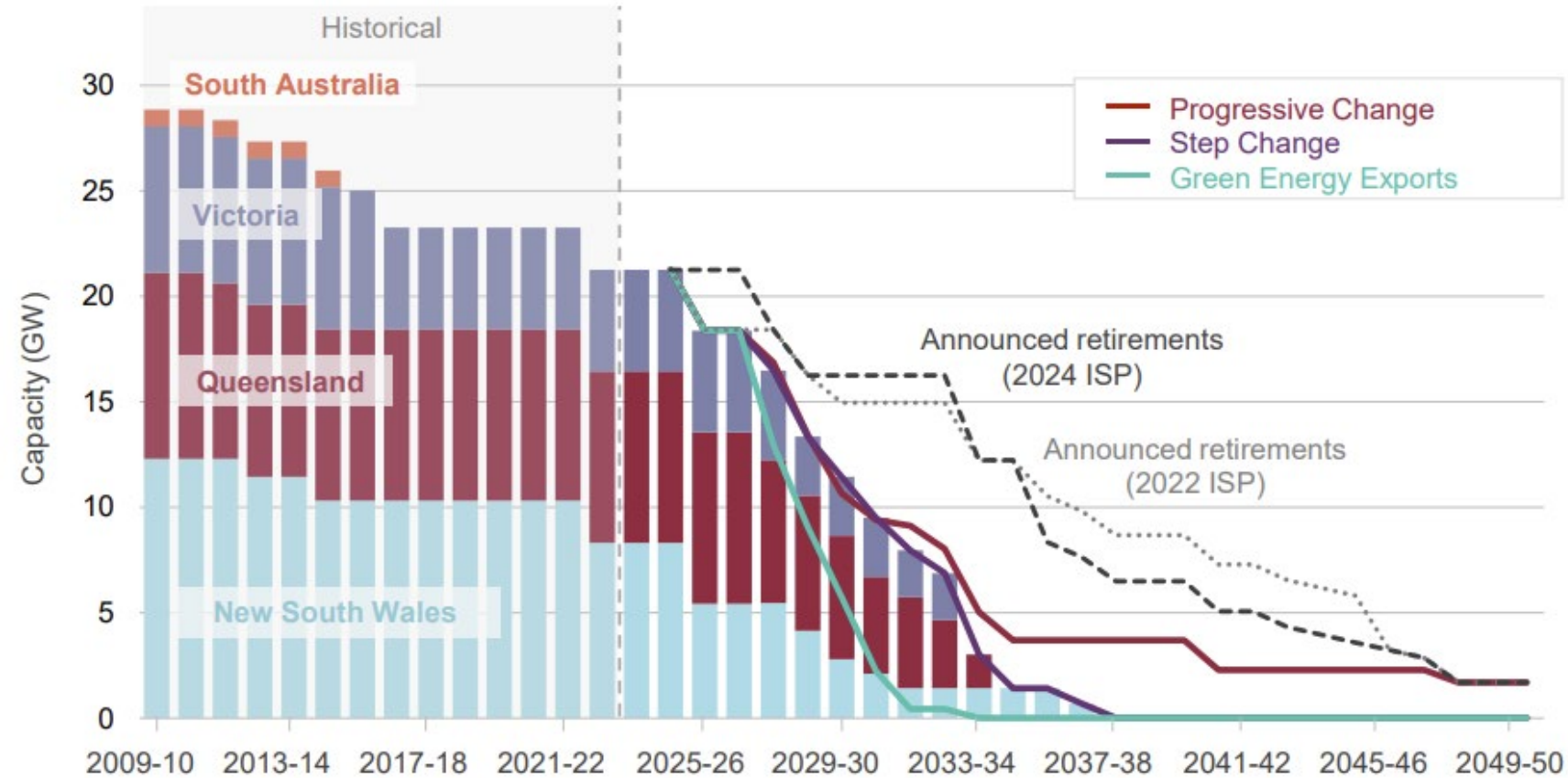
More heating and cooling

▲ **3%**



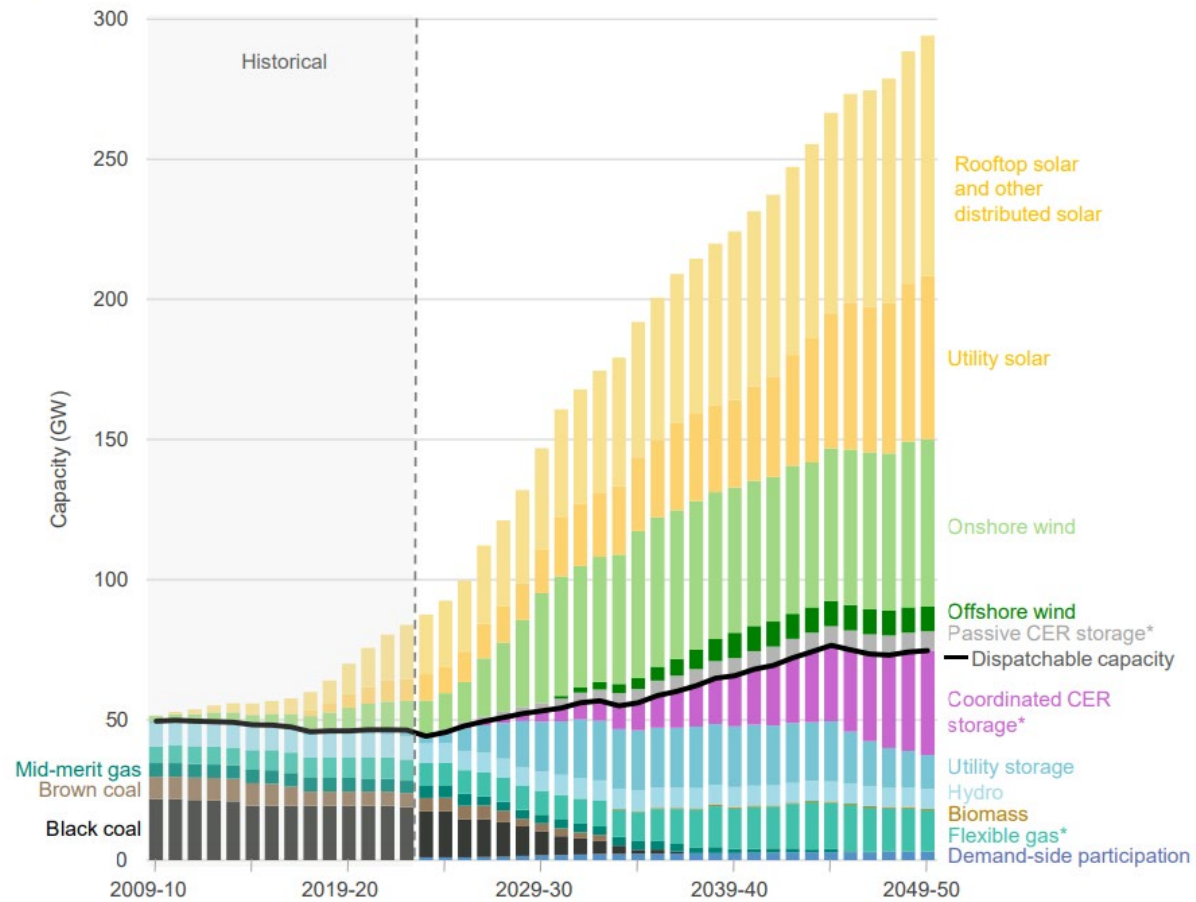
What are the drivers for renewable energy?

Figure 1 Coal capacity, NEM (GW, 2009-10 to 2049-50)

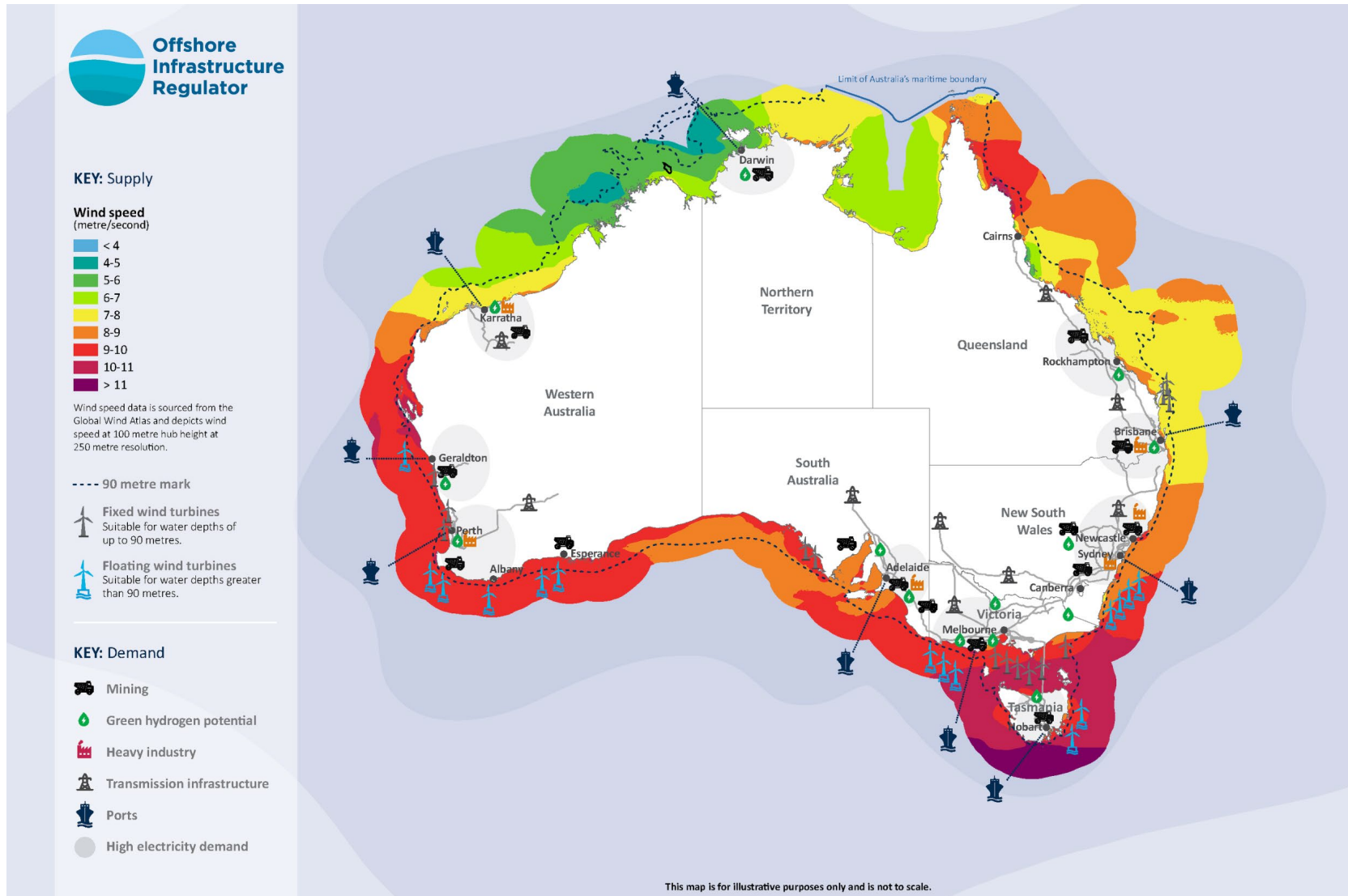


Where do we need to get?

Figure 2 Capacity, NEM (GW, 2009-10 to 2049-50, Step Change)



Supply and demand potential for offshore wind energy



So why do we regulate?

- To keep the workforce safe
- To protect the environment
- To assure infrastructure integrity
- To ensure accountability and funding for decommissioning and remediation
- To provide transparency and accountability
- To provide natural justice and procedural fairness
- To provide long term investment certainty
- To provide legal certainty



Offshore Electricity Infrastructure Act 2021

No. 120, 2021

Compilation No. 2

Compilation date: 1 December 2022

Includes amendments up to: Act No. 71, 2022

Registered: 13 December 2022



The Offshore Infrastructure Regulator



- Established under the *Offshore Electricity Infrastructure Act 2021*
- The OIR has responsibility for overseeing WHS, infrastructure integrity and environmental management for offshore infrastructure activities in the Commonwealth offshore area (>3NM - 200NM).
- OEI Act is administered by the Minister for Climate Change and Energy



The Department

Area identification
Due diligence assessment and public consultation undertaken prior to declaring areas.
Matters to be considered in identifying areas include:

- other marine users and uses
- environmental, economic and social impacts
- safety

Minister

Declaration
Required for commercial and research and demonstration streams

Minister

Invitation to apply for feasibility licence
Public notice will define the area and detail competitive assessment criteria

Transmission and infrastructure stream

**No declaration required*

Registrar

Application for transmission and infrastructure licence
Over the counter application process for supporting and/or stand alone infrastructure

Minister

Transmission and infrastructure licence

- Variable term equal to asset life
- Can overlap with other licences

Research and demonstration stream

Registrar

Application for research and demonstration licence

- Licence to enable research, exploration and demonstration projects
- Over the counter application process

Minister

Research and demonstration licence

- 10 year term
- Can overlap with other licences

Commercial stream

Registrar

Application for feasibility licence
Submitted to and assessed by the Registrar

Minister

Feasibility licence

- 7 year term
- Licence to determine the feasibility of a commercial project
- Cannot overlap with other licences

Regulator

Design notification scheme

- Provides for early engagement and feedback from the Regulator on design philosophy
- Mandatory for all commercial projects
- Voluntary for infrastructure under the research and demonstration and transmission and infrastructure streams

Management plan
Required before any infrastructure can be installed. Content will vary according to the licence/ infrastructure type and will cover:

- Work, health and safety
- Environmental management
- Plans for construction, commissioning, operations, maintenance and decommissioning
- Interaction and consultation with other marine users
- Decommissioning cost estimate

Revisions are required every 5 years or because of a change, or proposed change, of circumstances or operations

Financial security agreement

- To be commensurate to the full cost of decommissioning installed infrastructure
- Quantum, form and timing to be agreed by the Regulator

Project commencement

Minister

Commercial licence

- 40 year term
- Grant contingent on final investment decision
- Cannot overlap with other feasibility or commercial licences

Roles and responsibilities

Minister (for Energy)
Responsible for making all licensing decisions under the framework

Department of Climate Change, Energy, the Environment and Water (The Department)
Responsible for leading area identification process and advising and supporting the Minister for Energy

Offshore Infrastructure Registrar
Responsible for assessment of applications and ongoing licence administration

Offshore Infrastructure Regulator
Responsible for oversight of work, health and safety, environmental management, infrastructure integrity and financial security for offshore infrastructure activities

Key decision makers

Minister for Climate Change and Energy

- Declaration of areas
- Granting of licences

Department of Climate Change, Energy the Environment and Water

- Policy and regulatory development
- Identification of areas and support to Minister on declarations

Offshore Infrastructure Registrar

- Assessment of licence applications
- Provision of advice to Minister
- Ongoing licence administration

Offshore Infrastructure Regulator

- Design notification
- Management plan
- Financial security
- Safety & protection zones

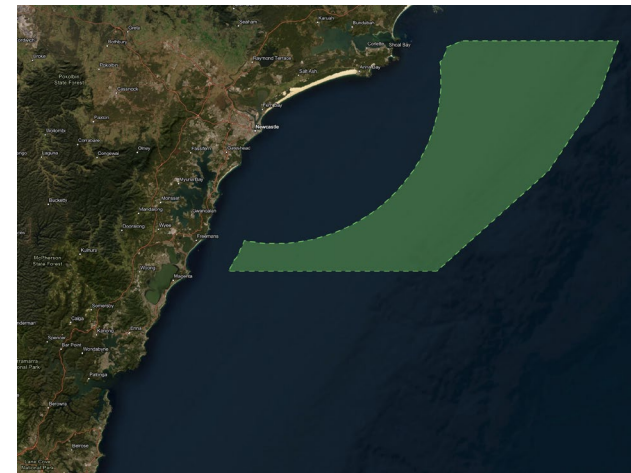
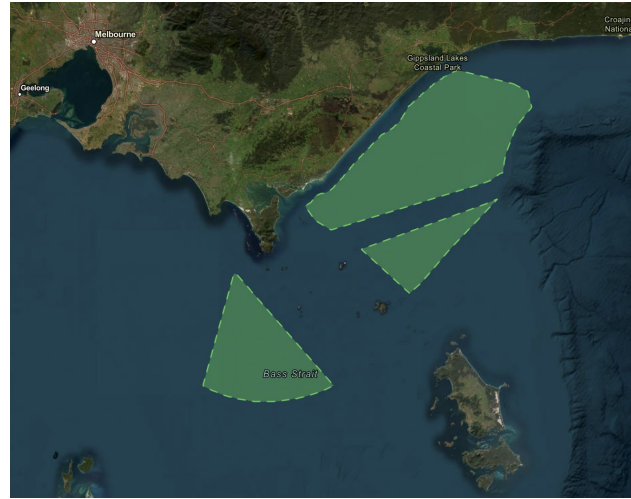


Interaction with the EPBC Act

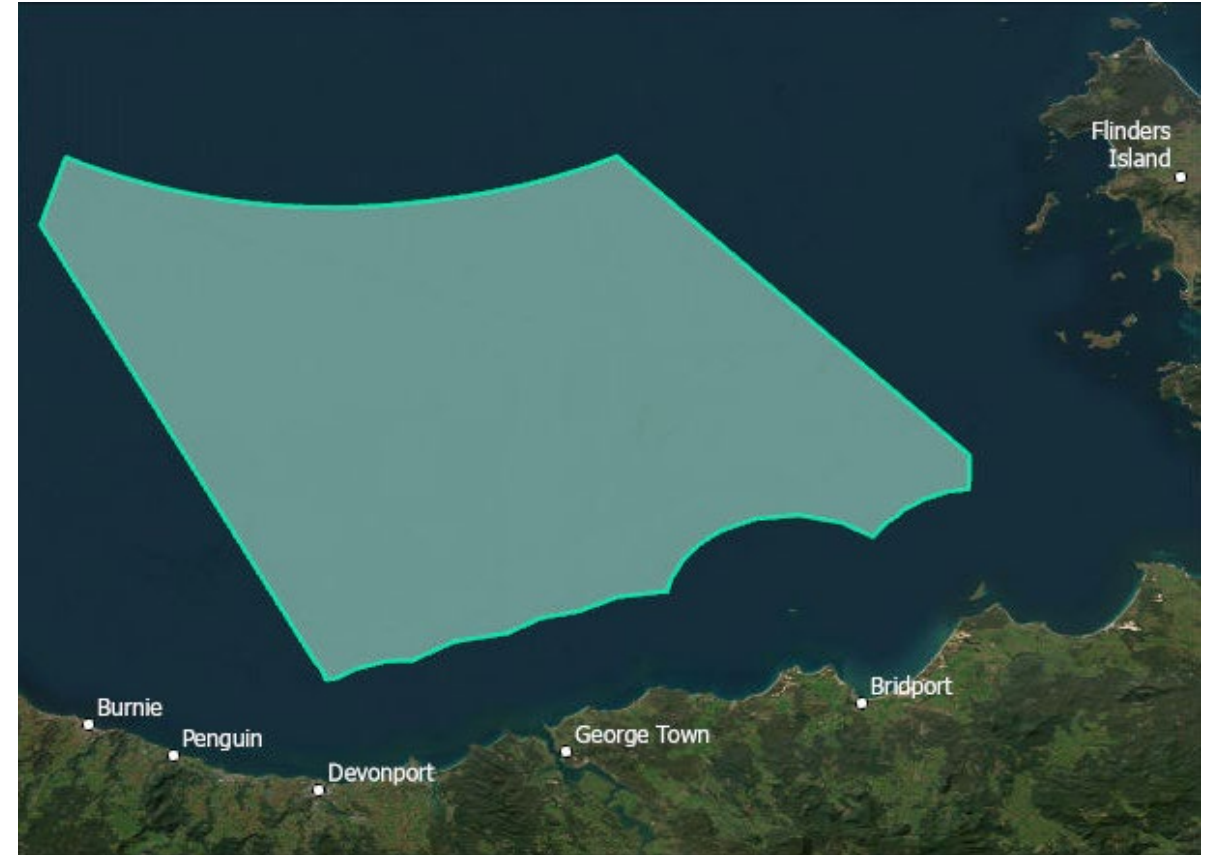
- *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) referral and decision likely to be required for large scale projects
- OIR developed guidance to assist stakeholders in understanding interactions between licencing and environmental approvals process
- Management plans must address how licence holder is to comply with EPBC assessment outcomes
- OIR to monitor ongoing compliance



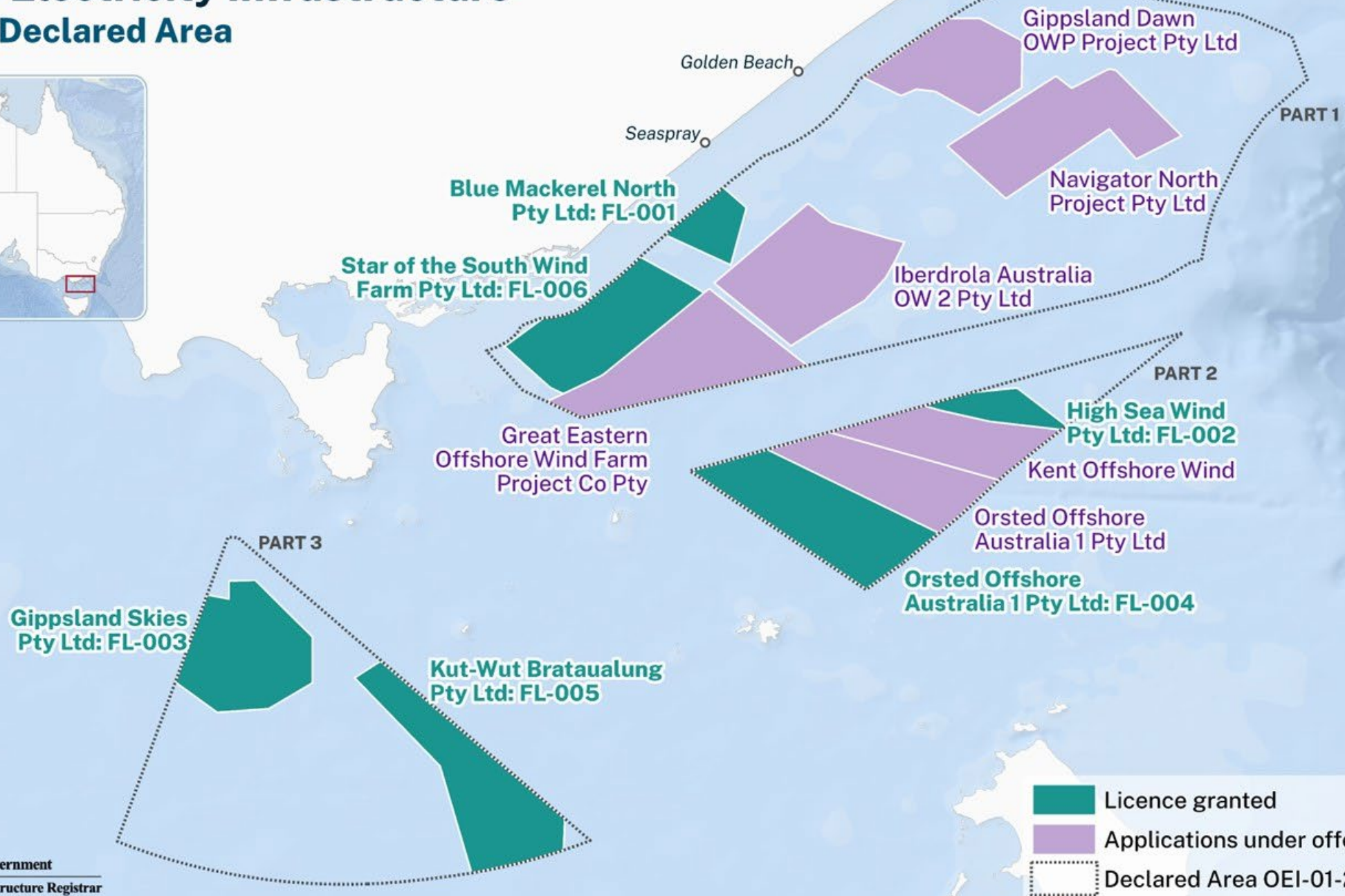
Australia's offshore renewable energy future – declared areas



Australia's offshore renewable energy future – proposed areas

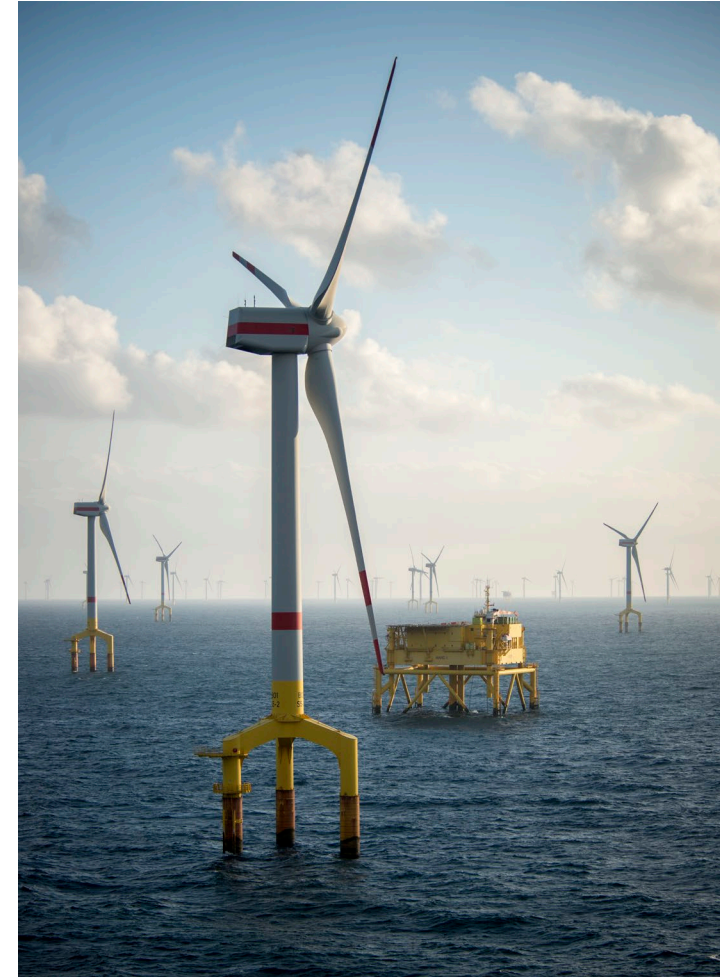


Offshore Electricity Infrastructure Gippsland Declared Area



Regulatory development

- Public comment on the Offshore Electricity Infrastructure Amendment Regulations 2024 closed in May 2024
- Regulations cover arrangements for management plans, consultation, design notifications, work health and safety, financial security and safety and protection zones
- OIR has released a suite of explanatory information based on the draft regulations



Challenges & opportunities

- High degree of competition
- Coexistence with other marine users and industries
- Social licence essential (visual amenity, cumulative impacts, benefits to local communities)
- Impacts to First Nations cultural heritage
- Environmental impacts to threatened and migratory species
- Interface with grid planning and build out of transmission infrastructure
- Timing for construction and commissioning with retirement of traditional generation assets
- Competition on cost with onshore generation and storage
- Supply chain development and constraints
- Workforce transition, skills and training





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