

Proposed South West Renewable Energy Zone

August 2025

A renewable energy zone with 2 sections is proposed in South West Victoria as part of the 2025 Victorian Transmission Plan. The zone includes new areas that were not previously identified in the draft Victorian Transmission Plan (see map on page 3). Before being officially declared by the Minister for Energy and Resources, there will be a further chance to provide your feedback. See page 7 for details.

What is a renewable energy zone?

Renewable energy zones are areas identified as the best places to host wind and solar projects and batteries for storage. In designing these areas we've considered community and industry feedback as well as information about cultural heritage, existing uses of land, and quality of wind and solar energy in the region.

Why do we need renewable energy zones?

Victoria's energy system is changing as coal-fired power stations are becoming unreliable and closing down. VicGrid is working to put in place a long-term plan to deliver the safe, reliable and affordable power Victoria needs to keep the lights on.

Renewable energy zones will:

- unlock new economic benefits for regional communities and Traditional Owners
- limit the need for additional transmission infrastructure

- help set clear expectations for how project developers engage and involve the community
- provide greater certainty about how and where renewables projects should be built.

Six proposed zones have been identified in regional Victoria. Together, they cover 7.9% of the state's land area.



It's your choice



Developers must talk to landholders to get permission to build renewable generation projects (such as wind turbines, large scale solar farms or batteries) on their land. Landholders can choose whether or not to host a project.

Landholders who do host renewable generation projects will receive financial payments and benefits that they negotiate with the developer. Dedicated community benefits will also apply to projects developed in renewable energy zones. This ensures the whole community benefits from development.

South West



Have your say

The proposed South West Renewable Energy Zone will soon be placed on public notice for 6 weeks to provide the opportunity for comments and submissions. The Minister for Energy and Resources must consider any submissions when determining whether the renewable energy zone should be officially declared. For more information, see page 7.



The proposed South West Renewable Energy Zone

The proposed South West Renewable Energy Zone includes parts of the Moyne and Southern Grampians local government areas. Small parts of the zone also sit within Glenelg, Corangamite and West Wimmera local government areas.

The proposed zone has 2 sections – one south-east of Hamilton between Macarthur and Darlington, and one north-west of Hamilton between Casterton and Balmoral.

The south-east section sits within the Registered Aboriginal Party boundaries of Eastern Maar Aboriginal Corporation and Gunditj Mirring Traditional Owners Aboriginal Corporation. The north-west section sits within the boundaries of Gunditj Mirring Traditional Owners Aboriginal Corporation.

It is important to note that this zone has been split into two sections in response to feedback about potential impacts on agricultural land and environmental and cultural values south-west of Hamilton, and calls for land near Coleraine to be considered for inclusion.

While the sections are separate, they are both part of the proposed South West Renewable Energy Zone.

How much new energy are we planning for in the proposed South West Renewable Energy Zone?

Once renewable energy zones are declared, VicGrid proposes to run a competitive allocation process to decide which projects in each zone have the authority to connect the energy they produce to the grid.

We will consider:

- the amount of electricity Victoria needs to generate to meet expected demand as outlined in the Victorian Transmission Plan
- ensuring the level of development inside each zone can be supported by available transmission lines
- the density of projects within each renewable energy zone
- how development can be coordinated to avoid the 'spaghetti effect' of many powerlines crossing the landscape
- whether developers are meeting expectations for landholder, community and Traditional Owner engagement and benefits.

This will ensure we ultimately produce enough energy to meet demand while also considering the impact on communities, Traditional Owners, agriculture and the environment.

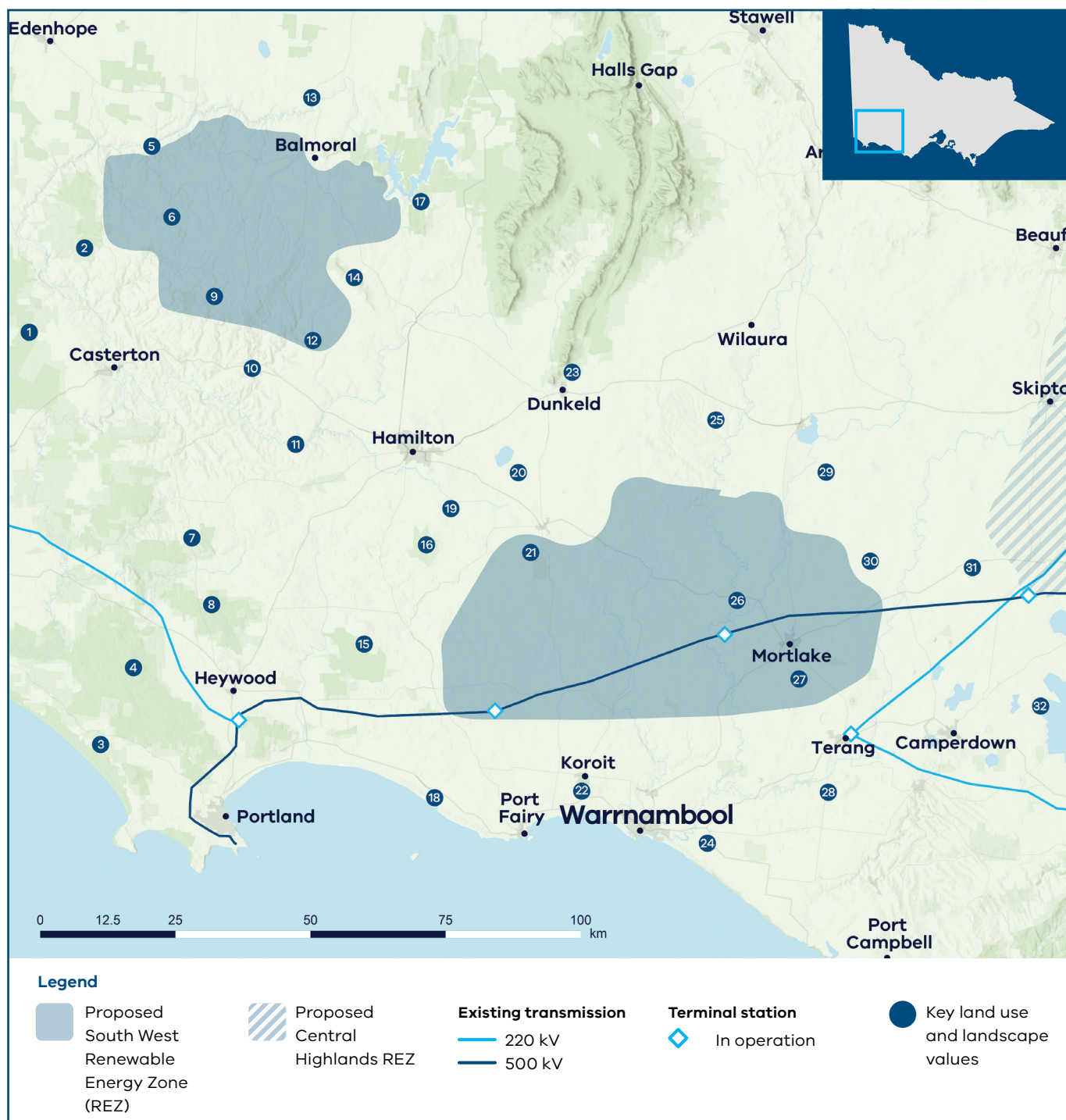
We are proposing to set access limits for each zone at the maximum amount that can be managed by the planned build-out of the transmission network.

This is not the level of development people should expect in each zone but is the maximum that the transmission network could support within the zone.

How to read the map

The map on this page shows the proposed South West Renewable Energy Zone, including some of the significant land use and landscape values that influenced its location, size and shape. The identified values in the region are a sub-set only and are not exhaustive of the values present. For detailed descriptions of the labelled land use and landscape values, see page 4.

The proposed South West Renewable Energy Zone



Key land use and landscape values

- 1 Biodiversity/cultural:** Roseneath, Nangeela and Drajurk state forests, home to native flora and fauna
- 2 Biodiversity/cultural:** Brimboal State Forest, home to native flora and fauna
- 3 Biodiversity/community/cultural:** Discovery Bay Coastal Park
- 4 Biodiversity/cultural/community:** Cobboboonee and Lower Glenelg National Parks
- 5 Biodiversity/cultural:** Glenelg river and surrounding areas of sensitivity
- 6 Biodiversity/cultural:** Chetwynd River and Wando River and surrounding areas of sensitivity
- 7 Biodiversity:** State parks and forests, home to native flora and fauna
- 8 Bushfire risk:** Higher bushfire risk across parks and forested areas
- 9 Agriculture:** Area of higher timber production across the centre of the REZ, surrounded predominantly by livestock grazing across the REZ to the south east and north
- 10 Community/agriculture:** Area of higher aggregated dwelling density around Coleraine, with a high proportion of cropping surrounding the south of Coleraine
- 11 Biodiversity/cultural:** Wannon River and surrounding areas of sensitivity, including scattered protected biodiversity areas
- 12 Biodiversity/cultural:** Higher value biodiversity and cultural values associated with waterways (creeks)
- 13 Mining:** Mining licence and minerals retention licence, including heavy mineral sands deposits
- 14 Biodiversity/cultural/community:** Dundas Range Scenic Reserve, including protected biodiversity area for native flora and fauna
- 15 Cultural heritage:** Budj Bim World Heritage Cultural Landscape
- 16 Biodiversity/cultural:** Mount Napier State Park, including protected biodiversity area
- 17 Biodiversity/cultural:** Multiple State Forests, home to native flora and fauna
- 18 Community/biodiversity/cultural:** Coastal parks, reserves and tourism sites
- 19 Biodiversity:** Public Conservation and Resource Zone Area
- 20 Biodiversity/cultural:** Lake Linlithgow and surrounding lakes, home to native flora and fauna including brolga flocking area
- 21 Cultural:** Western volcanic cones and lava flows from Mount Rouse
- 22 Cultural/biodiversity/community:** The Grampians (Gariwerd Cultural Landscape) – significant landform and landscape with high cultural, community and biodiversity values, including significant viewpoints of the region
- 23 Biodiversity/cultural:** Tower Hill Wildlife Reserve, home to native flora and fauna
- 24 Land use:** Wind farm prohibition area within 5 km of the coast east of Warrnambool (Victorian Planning Provisions)
- 25 Mining:** Retention licence
- 26 Biodiversity/cultural:** Hopkins River and surrounding areas of sensitivity
- 27 Agriculture:** High agricultural productivity dairy farming area with relatively lower compatibility with renewables
- 28 Agriculture:** High productivity dairy farming area with relatively lower compatibility with renewables
- 29 Biodiversity/cultural:** Lake Bolac and surrounding wetlands and reserves, home to native flora and fauna including brolgas
- 30 Biodiversity:** Brolga flocking area^{*}
- 31 Biodiversity/cultural:** Wetlands and volcanic landscape around Mount Elephant
- 32 Biodiversity/cultural:** Western District Lakes Ramsar-listed wetlands, home to native flora and fauna including brolgas

^{*}The Brolga is listed as an endangered under the *Flora and Fauna Guarantee Act 1998* (Vic) and is at high risk of extinction in Victoria. Brolga flocking areas are areas mapped by DEECA which provide important Brolga habitat for Brolgas to drink, roost and feed during drier months until breeding. DEECA's Handbook for the Development of Renewable Energy Facilities includes specific guidance for wind facilities and the Victorian Brolga, including avoiding Brolga flocking areas.

Acting on community feedback

Community and industry views have been crucial to the design of the 2025 Victorian Transmission Plan.

VicGrid's role is to balance the need for new renewable projects that will deliver reliable and affordable power as coal closes with a range of other factors, including how we minimise impacts on landholders, communities, agriculture, the environment and power bills.

Not all community or industry requests have been adopted. The Victorian Transmission Plan reflects difficult choices, made by weighing up many factors to deliver a plan that best serves all Victorians.

We have used the feedback received during engagement on the renewable energy zone study area and draft Victorian Transmission Plan Guidelines in 2024 and again during engagement on the draft Victorian Transmission Plan in 2025 to shape the size and location of the proposed renewable energy zone.

What we heard



- Consideration needs to be given to the significant role this region has already played in Victoria's energy transition so far, noting the large number of uncoordinated existing and proposed local renewable projects.
- Minimise cumulative impacts of wind projects, particularly on visual amenity and how overdevelopment affects peoples' sense of place and way of life.
- Minimise impacts on agriculture, particularly dairy farmland, in recognition of the sector's contribution to the local economy and food security.
- Protect biodiversity, including the brolga and southern bent-wing bat.
- Avoid the north-west portion of the draft proposed renewable energy zone due to ground water access and associated agricultural productivity, areas of environmental and cultural significance, less access to reliable wind and lack of developer interest.
- Consider including land near Coleraine in the zone.

What we did



- Worked to avoid agricultural land, including concentrated dairy farming areas.
- We protected significant landscapes and landforms, including Budj Bim World Heritage Site, the Grampians (Gariwerd) National Park, Lake Corangamite, Great Otway National Park and coastal areas.
- We protected the habitat of species such as the brolga, especially areas with a high concentration of wetlands to the east and north-east of the draft proposed renewable energy zone.
- We adjusted the shape of the draft proposed zone, removing the area south-west of Hamilton and an area of brolga flocking grounds south of Dunkeld that would have restricted planning of new wind turbines.
- We added a new stand-alone section of the zone near Coleraine that offers access to stronger wind than the area removed.



Transmission network upgrades

The 2025 Victorian Transmission Plan also proposes 7 transmission infrastructure investment programs needed over 2025-2040, to enable development of renewable energy zones and offshore wind energy.

The programs include 4 new transmission projects: a Gippsland offshore wind transmission stage 2 project, a new line between Tarrone in South West Victoria and Sydenham in Melbourne's north, a new line between

Truganina and Deer Park in Melbourne, and an additional short line between Hazelwood and Yallourn in Gippsland. The other projects across the 7 programs range from augmentations within existing terminal stations to significant reconstruction of existing transmission lines.

Learn more about the transmission projects in the 2025 Victorian Transmission Plan at vicgrid.vic.gov.au

What will it be like living in a renewable energy zone?

If you live in or near a renewable energy zone, over time you will see more development of renewable energy generation and storage. You can choose whether or not to host new renewable energy such as wind turbines, solar farms or batteries on your property. It's your decision and we encourage you to talk to your neighbours about it.

Existing planning and environment controls will still apply. All proposed projects will continue to be subject to the planning and environmental approval processes under the *Planning and Environment Act 1987* and *Environment Effects Act 1978*.

VicGrid will work with developers to coordinate new development and associated transmission to minimise impacts on landscapes and the environment. Only a small proportion of land in a renewable energy zone will be needed for development.

You will also see new community and regional economic benefits delivered over time as part of the Victorian Government's new Renewable Energy Zone Community Benefits Plan. This new approach will feature:

- the introduction of new Renewable Energy Zone Community Energy Funds to benefit regional and rural communities

- payments for landholders who host transmission
- guidance for payments for significantly impacted neighbours of new transmission
- a commitment to co-design a new approach to economic benefits for Traditional Owners.

Renewable Energy Zone Community Energy Funds are an opportunity to invest directly in projects that improve local outcomes and create other benefits for communities in regions hosting energy infrastructure.

Local decision-making that responds to local needs and priorities will be a cornerstone of these funds and decisions about investments will be made in consultation with regional community reference groups with broad community and industry representation.

In addition to government initiatives, developers of projects will be required to implement their own community benefits programs.

The final Renewable Energy Zone Community Benefits Plan is set to be released in coming months. Learn more at engage.vic.gov.au/vtif-rez-community-benefit

Next steps

Communities within proposed renewable energy zones can continue to provide feedback and seek more information about renewable energy zones, including through face-to-face meetings with VicGrid.

We will invite formal feedback about the proposed South West Renewable Energy Zone as part of the official declaration process. There will be 6 weeks of consultation, to begin in coming weeks, which will give landholders, communities and Traditional Owners another opportunity to provide feedback and shape decision-making.



Email updates

To stay up to date about the renewable energy zone declaration process and VicGrid's work, subscribe for our email updates at **vicgrid.vic.gov.au**



Call or email us

Call us on **1800 418 341**
or email
vicgrid@deeca.vic.gov.au

Contact us



Phone: 1800 418 341

Email: vicgrid@deeca.vic.gov.au

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