

Proposed Central Highlands Renewable Energy Zone

August 2025

A renewable energy zone is proposed west and south of Ballarat as part of the 2025 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 6 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.

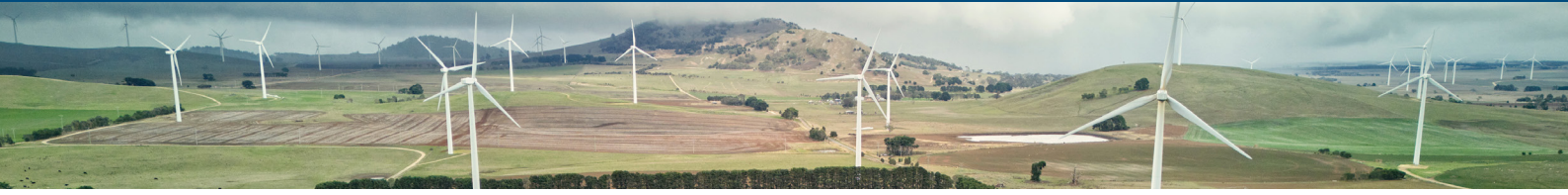
Landholders who do host renewable generation projects will receive financial payments and benefits that they negotiate with the developer. Dedicated community benefits will also apply to projects developed in renewable energy zones. This ensures the whole community benefits from development.

Have your say



The proposed Central Highlands 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 6

Central Highlands



The proposed Central Highlands Renewable Energy Zone

The proposed Central Highlands Renewable Energy Zone covers parts of the Golden Plains, Corangamite and Pyrenees local government areas. Small sections of the zone also sit within Moorabool and Colac Otway local government areas. It sits within the Registered Aboriginal Party boundaries of the Wadawurrung Traditional Owners Aboriginal Corporation and Eastern Maar Aboriginal Corporation.

When identifying this zone, we have carefully considered community concerns about the impacts of cumulative development. This is balanced with the pressing need to position renewable energy zones with access to high-quality wind and solar energy and near existing transmission lines.

In response to feedback on the draft Victorian Transmission Plan, the northern area of the proposed Central Highlands Renewable Energy Zone has been reduced. This reflects multiple considerations, including likely preference of generators to connect to the 500 kilovolt (kV) network to the south, land-use sensitivities, community feedback and limited land availability.

In the south, a small area has been added to allow additional space close to the 500 kV transmission line, while still avoiding wetlands and lakes in the area.

How to read the map

The map on page 3 shows the proposed Central Highlands Renewable Energy Zone, including some of the significant land use and landscape values that influenced its location, size and shape. The identified land use and landscape values in the region are a sub-set only and are not exhaustive of the values present.

How much new energy are we planning for in the proposed Central Highlands 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:

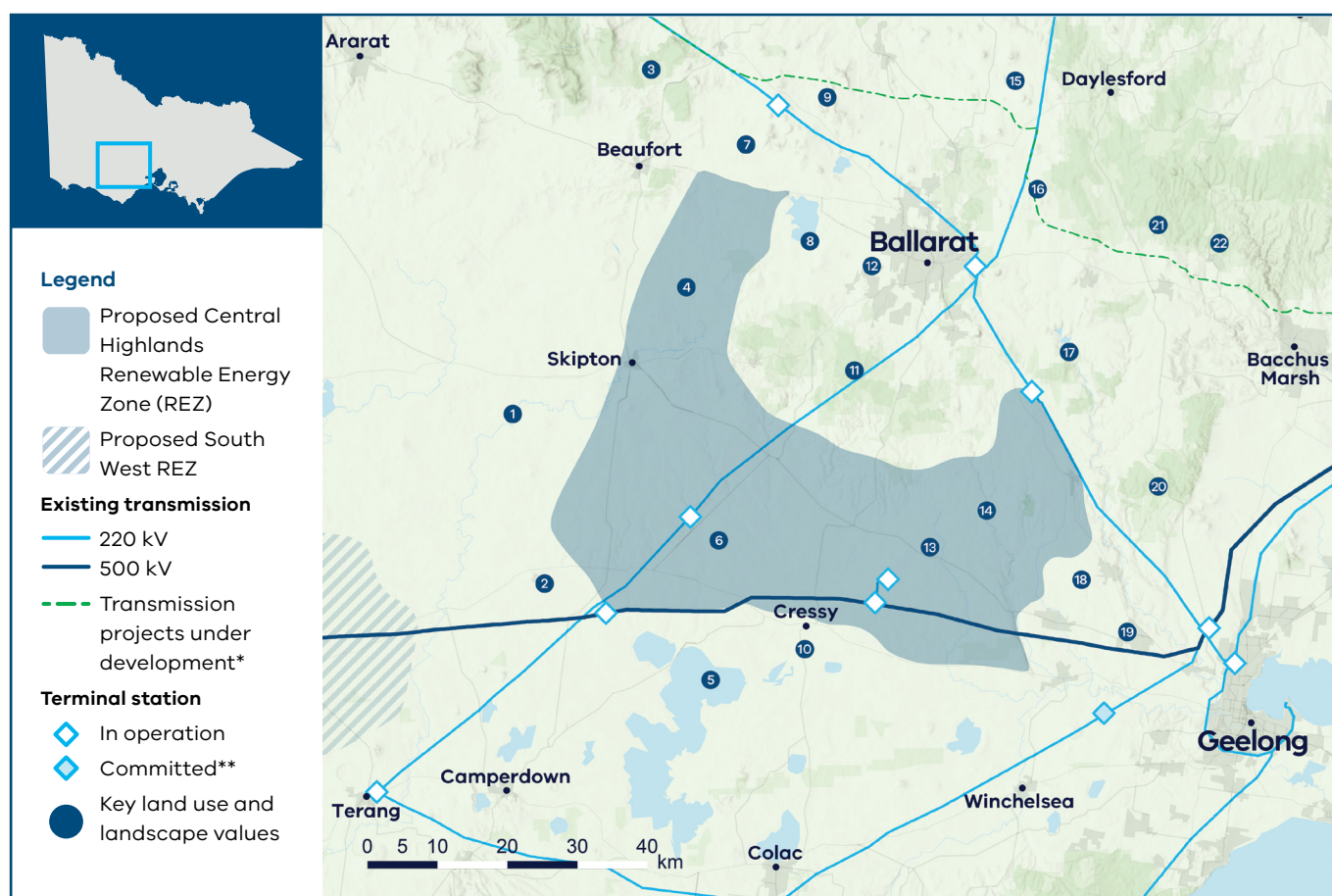
- the amount of electricity Victoria needs to generate to meet expected demand as outlined in the Victorian Transmission Plan
- ensuring the level of development inside each zone can be supported by available transmission lines
- the density of projects within each renewable energy zone
- how development 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.

The proposed Central Highlands Renewable Energy Zone



Key land use and landscape values

- 1 Biodiversity:** Wetlands scattered across region with high biodiversity value, home to native flora and fauna including brolgas
- 2 Biodiversity/cultural:** Wetlands and volcanic landscape around Mount Elephant
- 3 Biodiversity:** State forests and park forming the Lower Pyrenees environs, home to native flora and fauna
- 4 Community/cultural:** Mount Emu and surrounding areas of sensitivity
- 5 Biodiversity/cultural:** Western District Lakes Ramsar-listed wetlands, home to native flora and fauna including brolgas
- 6 Agriculture:** Area with a high proportion of cropping in the southwest of the REZ, with increased livestock grazing the north and east of the REZ
- 7 Agriculture:** Horticulture farming
- 8 Biodiversity/cultural:** Lake Burrumbeet and surrounding areas of sensitivity
- 9 Community/cultural:** Mount Bolton, Mount Beckworth and Mount Ercildoune, part of the Island Uplands volcanic landscape
- 10 Biodiversity:** Brolga flocking area*
- 11 Biodiversity:** State parks and forests across the region, home to native flora and fauna
- 12 Community:** Area with higher aggregated dwelling density
- 13 Biodiversity/cultural:** Scattered wetlands and other areas of high biodiversity value
- 14 Biodiversity:** Area with high biodiversity values including protected biodiversity area
- 15 Heritage:** Victorian Goldfields
- 16 Agriculture:** Horticulture farming
- 17 Cultural:** Lal Lal Falls
- 18 Biodiversity/cultural:** Wetlands including protected biodiversity area, home to native flora and fauna
- 19 Community:** Proposed residential growth areas around Bannockburn
- 20 Biodiversity/cultural/ community:** Brisbane Ranges National Park
- 21 Biodiversity/ cultural/ community:** Wombat State Forest and surrounding bushland, home to native flora and fauna
- 22 Bushfire risk:** Higher bushfire risk within densely vegetated state forests and parks

*The map shows transmission projects under development including transmission projects defined as Committed and Anticipated or Actionable under the Australian Energy Market Operator's 2024 Integrated System Plan. This map displays the proposed alignment for Western Renewables Link.

** Committed terminal station' includes new terminal stations on the Victorian Declared Shared Network that are proposed to be operational in the coming years, as identified by AEMO Victorian Planning in its Terminal Stations in Victoria report dated 2 September 2024.

*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

- Minimise impacts on productive farmland and agriculture, particularly horticulture production.
- Protect biodiversity and the natural environment, including wedge-tailed eagle and brolga habitats and the Wombat State Forest.
- Minimise cumulative impacts caused by increased renewable energy development and the Western Renewables Link (WRL) project.
- Avoid areas of natural hazard vulnerability, particularly areas with high bushfire risk.
- Avoid areas around Mount Bolton and Mount Beckworth, which are of local significance.
- Developers called for some areas to be included in the zone to account for projects in development.



What we did

- We sought to avoid agricultural land, including horticulture production around Ballarat and Ballan.
- We sought to protect areas of significant environmental value, especially areas with a high concentration of wetlands.
- We located the proposed renewable energy zone close to the existing transmission infrastructure to coordinate connection and reduce the overdevelopment of transmission lines.
- We revised the original shape of the draft proposed zone to remove the area around Mount Bolton and Mount Beckworth, and added a small section to the south of the proposed zone instead.





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-benefits

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 Central Highlands 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**
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