

Understanding public liability expectations for renewable energy projects

June 2026

VicGrid has developed guidance to protect landholders from risk and liability.

Victoria's coal-fired power stations are reaching their end of life and closing down. Providing power to Victorian homes, businesses and essential services will rely on a significant amount of new renewable energy generation and batteries, supported by transmission network upgrades.

VicGrid is responsible for the long-term planning of Victoria's renewable energy zones and transmission network. We are transforming the way energy infrastructure is developed and delivered in Victoria through long-term planning, early and meaningful engagement, and more consistent and fairer sharing of benefits.

Through the VicGrid Community Engagement and Social Value Guidelines for Renewable Energy and Transmission Projects, project developers are expected to ensure host and neighbouring landholders do not face greater exposure to claims from new renewable energy or transmission projects.

VicGrid expects project developers to do the following:

- Limit what they can recover from landholders in cases of accidental damage
- Ensure their own insurers honour this commitment
- Consult landholders and give commitments in writing

Host landholder:

A landholder whose property hosts or is anticipated to host a renewable energy project or transmission project



Neighbouring landholder:

A landholder whose property is:

- Located within 3.5 km of the project boundary of a renewable energy or transmission project and in a rural zone (as defined under the applicable planning scheme)
- Directly adjoining a host landholder's property (or would directly adjoin a host landholder's property except for the presence of an easement) and in a residential zone, industrial zone, commercial zone or special purpose zone (as defined under the applicable planning scheme)



Project developer:

A company developing a renewable energy or transmission project (this includes VicGrid or a private company)



Developers are expected to limit their rights of recovery against landholders

VicGrid has developed minimum expectations for project developers to protect landholders from liability for accidental damage to new renewable energy infrastructure.

Project developers are expected to limit what they claim from landholders if a landholder accidentally damages a renewable energy project. If an eligible landholder accidentally causes damage to the project during the construction, operation and decommissioning phases, the developer is expected to only recover costs up to the amount covered by the landholder's public liability insurance. This includes damage to infrastructure and business interruption losses.

If a landholder doesn't have public liability insurance, the developer is expected not to pursue them for any costs.

The project developer is also expected to make sure their insurers do not recover any costs from landholders above the public liability insurance limit(s).

Example

A neighbouring landholder has public liability insurance with a \$20 million limit. A fire accidentally starts on their property that damages a developer's solar farm, causing \$30 million in damage.

The developer and their insurer have limited their ability to seek damages from the landholder.

If the landholder's insurer accepts the claim, the developer's insurer can recover up to \$20 million from the landholder's insurer. The developer's insurer is expected to cover the remaining \$10 million and cannot seek to recover that amount from the landholder.



How developers should engage with landholders and their neighbours regarding liability

Developers are expected to inform all host and neighbouring landholders in writing about this commitment to limit landholders' liability as early as reasonably possible, and before the commencement of construction.

Developers are also expected to talk with directly adjoining landholders and those in close proximity to the project about public liability issues and provide clear and transparent information about any potential risks or impacts.

Contracts

When entering contracts with host landholders, developers are expected to:

- Pay reasonable costs for landholders to get independent insurance advice before entering into any agreement
- Clearly state who will pay any new or increased insurance costs from hosting the infrastructure

Exceptions or exclusions to minimum expectations

VicGrid does not expect the waiver to apply where the loss or damage results from gross negligence or wilful actions by the landholder. This includes dishonest, fraudulent, criminal or malicious behaviour. These types of exclusions are standard in public liability insurance policies.

The waiver does not apply to certain types of landholders. This includes landholders that are public companies (as defined in the *Corporations Act 2001*), a large proprietary company (as defined in the *Corporations Act 2001*), a company registered outside Australia, and subsidiaries of these entities.

Keeping landholder public liability requirements current

To build further confidence for landholders, VicGrid will review these expectations within 24 months of the release of the Community Engagement and Social Value Guidelines for Renewable Energy and Transmission Projects. These expectations may also be updated sooner if there are significant changes in insurance industry practice, including alignment of industry practices with a national approach to address landholder public liability concerns.



Contact us



Phone: 1800 418 341

Email: enquiries@vicgrid.com.au

Deaf, hearing or speech impaired? Please contact the National Relay Service on 133 677 or communications.gov.au/accesshub/nrs



Need an interpreter? Contact Translating and Interpreting Service (TIS) on 131 450 (within Australia) or visit tisonline.gov.au

Disclaimer: The information in this document is current at the time of printing, may be subject to change and should not be relied upon. Please visit vicgrid.com.au for the latest updates.



Scan to visit
our website