

## **A CLEAN VICTORIAN RECOVERY**

As a result of the strong ambition and sensible policies introduced by the Andrews Government, Victoria has established itself as a leader in renewable energy. At a pivotal moment for the transition of the energy system combined with the necessity for economic stimulus to the COVID19 crisis, Victoria now has an opportunity to show the rest of Australia the way to build a robust economy based on clean renewable energy.

A Clean Victorian Recovery can kickstart the Victorian economy and create thousands of quality jobs across regional Victoria for workers hard hit by the economic shock of COVID-19. Ahead of the 2020 Victorian Budget we wish to outline some key policy initiatives that could deliver a strong economic and jobs stimulus and further accelerate the transition to clean energy in Victoria. These initiatives are:

### **Scale up the home battery program**

Scaling up the existing Victorian home battery program has the potential to create thousands of jobs across Victoria. The Clean Energy Council strongly supports the existing Solar Homes program and its objectives of improving safety, quality and affordability of solar energy for all Victorians. We do however currently have concerns regarding the number of battery rebates available under the program. The Solar Victoria Industry and Consumer Reference Group has discussed this matter on several occasions in 2020. It has also been brought to our attention repeatedly by our members.

500 battery rebates were budgeted for the July to December 2020 period. This has proven to be manifestly inadequate and rebates are being exhausted within minutes of their release. This is placing an artificial cap on battery sales in Victoria, frustrating customers and undermining and disrupting the Victorian industry.

To avoid placing an unnecessary restraint on the battery industry, we recommend the number of battery rebates should be increased to 10,000 for the January to July 2020 period. This would be a very welcome initiative, especially in the context of COVID-19 and the economic recession. As a point of comparison, the South Australian Home Battery Scheme has delivered more than 12,000 batteries over two years with a population about a quarter of Victoria's.

Household batteries are a great way to empower consumers to better manage their power use and lower their electricity costs. Victoria already has a strong regulatory and compliance regime to ensure the safe installation of batteries that meet Australian standards by qualified installers. Household batteries also have well-demonstrated benefits to distribution networks and have the potential to support more renewable generation and substantially reduce peak power prices.

### **Increase commitment to building transmission and strengthening the grid**

A stronger transmission network will improve the reliability, security and resilience of Victoria's energy system. It will also ensure that low cost clean energy can be accessed and delivered to customers across the state, in turn lowering power prices. Grid

congestion is one of the biggest challenges facing new investment in large-scale renewable energy.

Accelerating construction and expansion of the transmission network will unlock new private sector investment in large-scale renewable energy. The construction of transmission will create thousands of jobs, particularly in regional Victoria. These jobs are in technical engineering as well as civil engineering, construction, logistical support and long-term service and maintenance. Transmission development will also leverage further job creation and regional development as it facilitates significant renewable energy development.

### **Continue to accelerate large-scale investment and push on with VRET 2**

Accelerating the next wave of large-scale wind and solar projects would help to lower wholesale power prices, particularly in light of the imminent closure of existing coal-fired generation and the increase in prices that would otherwise occur when these large plants come offline. It would also ensure continued reliable power generation in anticipation of the closure of these ageing coal generators.

The VRET-2 can foster at least 600 MW of large-scale projects across Victoria which would make a large contribution to Victoria's 50 percent renewable energy target, create almost one thousand new direct jobs and secure long-term energy supply. The renewable energy industry was buoyed by the recent commitment to commence VRET-2 and encourages the Victorian Government to accelerate this process to stimulate the Victorian economy.

### **Develop a Victorian renewable hydrogen hub**

Australia has enormous potential to become a leading global player in the hydrogen market, driven by enormous demand from Asia. This can deliver massive economic benefits to Victoria as hydrogen becomes a major export commodity. Investment in hydrogen production infrastructure can deliver huge foreign investment and local jobs, particularly through the construction of the hydrogen production and export facilities as well as the clean energy generation that will be required for its clean production. The creation of renewable hydrogen hub in Victoria could accelerate development approval processes and the connection to the electricity network.