



2019 FEDERAL ELECTION 10 CLEAN ENERGY POLICIES

Federal politics has failed Australian energy customers.

The absence of a long-term energy strategy and sensible, enduring policies has had a crippling effect on the Australian energy sector and dramatically increased power prices for all customers.

Despite this there have been incredible achievements over the past year – over \$20 billion investment in new large-scale wind and solar projects and over 2 million Australian homes installing rooftop solar. **Imagine what we could achieve if this momentum were to continue.**

With no long-term federal energy strategy in place, Australia faces the very real prospect of this momentum coming to a grinding halt.

The Clean Energy Council is calling on all political parties to adopt the following recommendations to ensure we can get on with building a cleaner Australia.



FEDERAL POLICY RECOMMENDATIONS

While many Australian states and territories are taking strong and sensible action to address the policy void left at the federal level, there is a clear role for and need to restore the leadership of the Federal Government.

Australians want this leadership and are looking to the next Federal Government to outline a clear and strong policy package that will encourage private investment in an electricity sector fit for the 21st century, providing clean, reliable and low-cost power.

This policy package should:

1. Commit to a target of zero emissions from the electricity sector well before 2050 and a minimum target of 50 per cent renewable energy by 2030
2. Accelerate reforms and finance support to develop Australia's electricity transmission network for a clean energy future
3. Encourage the uptake of energy storage and batteries
4. Maintain the Small-scale Renewable Energy Scheme (SRES)
5. Mandate solar power in all new homes
6. Support innovation in finance, technology and integration and extend the Australian Renewable Energy Agency (ARENA) and the Clean Energy Finance Corporation (CEFC)
7. Commit to the development of a clean energy export strategy
8. Support skills development to meet the demand of a growing clean energy industry
9. Support the establishment of a battery manufacturing and recycling industry
10. Develop a single national electrical safety body.





COMMIT TO A TARGET OF ZERO EMISSIONS FROM THE ELECTRICITY SECTOR WELL BEFORE 2050 AND A MINIMUM TARGET OF 50 PER CENT RENEWABLE ENERGY BY 2030

A substantial amount of Australia's existing coal-fired generation will close over the coming two decades. Managing the transition to a clean energy system requires strong, long-term direction on emissions from the electricity sector accompanied by a clear target and policy for new clean energy generation. Without clear targets and supporting policies, the transition is likely to be uncoordinated and risks underinvestment in the new generation that will be essential to delivering reliability, Australia's national emissions targets and reducing power prices.

The Clean Energy Council is calling on all political parties to adopt **a target of zero emissions from the electricity sector well before 2050**, along with a clear 2030 target. These targets should provide investment certainty, with flexibility to be adjusted according to what is necessary and possible. This must recognise the reality that the electricity sector has greater opportunity for lower-cost abatement than many other sectors of the Australian economy. While new clean electricity generation does not require subsidies, investors do require clear and strong energy policy to give them the confidence to invest.

A future federal government should commit to a minimum target of 50 per cent renewable energy by 2030 given the substantial new investment underway combined with the pre-existing state and territory targets already in place.

There are a range of market and direct investment policies that could deliver on targets for emissions and clean energy, including some combination of the National Energy Guarantee (proposed by the Federal Coalition and with unprecedented support from the energy sector, business and customers), a Clean Energy Target, an extended Renewable Energy Target or direct contracting approaches such as reverse auction contract-for-difference programs (as introduced by a number of state and territory governments).



ACCELERATE REFORMS AND FINANCE SUPPORT TO DEVELOP AUSTRALIA'S ELECTRICITY TRANSMISSION NETWORK FOR A CLEAN ENERGY FUTURE

Timely investment in Australia's electricity transmission network is crucial to the transition to a renewable energy future. This will allow low-cost renewable energy projects to be developed, which will help to lower power prices. Key priorities include network upgrades and/or new interconnections between states.

A new energy transmission investment strategy would ensure that Australia can continue its clean energy momentum. The Australian Energy Market Operator has identified areas of Australia suitable for new renewable energy investment and the transmission system requirements to maximise the potential from these areas.

To unlock the jobs and investment potential in these regions, government needs to take the lead on the planning and investment framework. Financial support from the Federal Government could accelerate the transmission development process. This could take the form of support for early works, planning approvals and equipment

purchase to ensure network projects can get started immediately, without undue delay on what are already complex and time-consuming projects. This would be complemented by enhancements to the regulatory investment test for transmission to ensure a streamlined and accelerated approval process.

Renewable Energy Zones (REZs) represent an opportunity for economies of scale as well as community benefits through targeting jobs and investment in certain regions and a coordinated approach to planning and land use. The Federal Government should actively promote the development of REZs by considering how best to encourage developers to locate new generation in these areas. This should include the potential for funding of the infrastructure for REZs and partnering with state and territory governments to consider how the planning and environmental assessments and the community engagement can be best managed for these investment zones.



ENCOURAGE THE UPTAKE OF ENERGY STORAGE AND BATTERIES

The next Federal Government should provide targeted support for batteries, which can reduce network costs, improve safety and reliability, reduce costs for consumers and enable higher levels of renewable generation to be integrated into the grid. The benefits will be most pronounced if the support is targeted at key demographics or areas of the network. For example, the Marshall Government in South Australia has committed to targeted support for solar, batteries and virtual power plants. This will involve up to 90,000 systems, and more than half of the participants will be low income or live in public housing. In Victoria, the Andrews Government has committed to a \$40 million scheme to support the installation of battery storage in 10,000 homes. This is on top of its commitment to a \$1.2 billion scheme to provide rebates and zero interest loans for rooftop solar on 650,000 homes. The Federal Government should develop a target and program to complement these state government initiatives.

There is also a role for the Federal Government to support the development of large-scale energy storage such as the Snowy 2.0 pumped storage project and Tasmania's Battery of the Nation projects.



MAINTAIN THE SMALL-SCALE RENEWABLE ENERGY SCHEME (SRES)

Rooftop solar is one of the few direct ways that households and businesses can take control to reduce their power bills. Solar and energy storage also provide system-wide benefits that reduce energy costs for all consumers by lowering demand at peak periods, which moderates wholesale prices and helps to defer network augmentation.



MANDATE SOLAR POWER IN ALL NEW HOMES

A target should be set for all new homes to be solar powered and battery storage ready from 2020. Installing solar power and battery storage is cheaper when installed during the construction of new homes, making the cost effectiveness and benefit to customers even better. This could be implemented by the Federal Government working with state and territory governments to reform building codes, planning regimes and existing or new government programs relating to new housing. Tax concessions for developers and landlords should have eligibility criteria tied to energy efficiency and affordability, including the installation of solar and energy storage systems.



SUPPORT INNOVATION IN FINANCE, TECHNOLOGY AND INTEGRATION AND EXTEND ARENA AND CEFC

The Australian Renewable Energy Agency (ARENA) and the Clean Energy Finance Corporation (CEFC) play a critical role in supporting and incubating innovation in the financing and development of clean energy technology. As just one example, they have been instrumental in driving down the cost of large-scale solar developments in Australia. This is only the start of what is possible and it is critical that these agencies are extended and have increased financial support to continue to play this essential role and provide greater focus on innovation in batteries, smart grid technology and hydrogen solutions.

The Federal Government should also reverse the recent change putting a \$4 million cap on the R&D tax credit that is stifling innovation among the renewable energy businesses who are at the leading edge of innovation.



COMMIT TO THE DEVELOPMENT OF A CLEAN ENERGY EXPORT STRATEGY

A Clean Energy Export Strategy that leverages Australia's competitive advantage in clean energy should be developed. This strategy should recognise Australia's extraordinary clean energy resources and the potential to export renewable energy. This could include hydrogen exports and the utilisation of high voltage direct current undersea cables to meet the growing Asian and global energy demand. The strategy should explore the various options for clean energy export and assess barriers and solutions to unlocking this enormous long-term opportunity that could allow Australia to become a global energy superpower.





SUPPORT SKILLS DEVELOPMENT TO MEET THE DEMAND OF A GROWING CLEAN ENERGY INDUSTRY

The transition to clean energy is already creating a jobs boom across regional and rural Australia. There is a growing need for skilled workers across the many parts of the supply chain for the design, construction and operation of clean energy projects.

The Federal Government can play an active role, working with the clean energy industry to identify the skills needs of the future, and support new initiatives, training and apprenticeships to ensure that Australian workers can fill the skilled jobs being created by the booming renewable energy industry.



SUPPORT FOR ESTABLISHMENT OF A BATTERY MANUFACTURING AND RECYCLING INDUSTRY

Support the establishment of a lithium-ion battery manufacturing and recycling industry in order to take advantage of Australia's strong lithium resources and demand for battery technology. This will create new economic opportunities, reduce future landfill and waste from battery systems, and encourage investment in downstream value-adding for nickel, lithium and other key battery components.



DEVELOP A SINGLE NATIONAL ELECTRICAL SAFETY BODY

Each state and territory has its own unique set of rules and regulations for electrical safety. This puts unnecessary red tape onto businesses and adds to the cost of electricity. A national approach to regulating electrical safety would improve safety for consumers, reduce costs and relieve the administrative burden on the electrical industry.