

DELIVERING A RENEWABLE ENERGY FUTURE FOR NEW SOUTH WALES



Politics in Canberra has failed us on energy and climate policy. The public and the renewable energy industry is turning to state governments for leadership. Liberal and Labor governments in South Australia, Victoria and Queensland have stepped up with policies to drive investment in renewable energy and energy storage.

The time for waiting is over. Parties of all political persuasions need to explain what they will do to drive the investment New South Wales needs in renewable energy and energy storage. Reducing power bills and emissions while securing the reliability of the power supply is achievable. Other states are showing it can be done with a mix of practical policies.



LARGE-SCALE RENEWABLES

1. ESTABLISH A 2030 CLEAN ENERGY TARGET

Roughly five gigawatts of old coal-fired power stations are due to retire from the National Electricity Market by the early 2030s, meaning that new electricity generation capacity must be built over the coming decade. This presents an enormous opportunity for new investment, employment and diversified income streams for regional communities across the state.

New renewable energy generation is cheaper, cleaner and quicker to build than thermal generation, and can underpin much of Australia's transition to a low-emissions economy. While new clean energy generation does not require subsidies, investors do require clear and strong energy policy to give them the confidence to invest.

The Clean Energy Council is calling on all political parties to adopt a strong 2030 clean energy target for NSW to stimulate additional investment, economic activity, jobs and income in regional areas.

This target will anchor the Government's vision for the inevitable clean energy transition and build confidence for the industry to plan, design and develop the necessary new investment.

2. ESTABLISH NSW REVERSE AUCTIONS FOR RENEWABLE ENERGY

Reverse auctions – where companies bid to provide the lowest cost, best-value-for-money renewable energy projects – are effective mechanisms for bringing investment forward and stimulating jobs and investment.

They are a well-designed policy that save consumers money on their bills. Successful projects deliver increased local economic activity and build specialist skills, capabilities and future development opportunities within the local economy.

Reverse auctions have been very successful in attracting investment to other states. The response to Victoria's renewable energy auction was so positive and the prices were so low that the government was able to attract investment in 928 MW of new capacity – well beyond the target of 650 MW set when the auction was first announced. The successful projects are expected to generate \$1.1 billion of new investment and 900 new jobs (including 270 apprenticeships).

The cost to government is limited and electricity customers pay less as new renewable electricity generators bring down the price of energy.

This model is now proven in multiple states of Australia and could be adopted easily and effectively in NSW.

3. A TRANSMISSION INVESTMENT STRATEGY FOR NEW RENEWABLE ENERGY ZONES

New South Wales' central location in the National Electricity Market means that investment in the state's transmission network is crucial to the transition to a renewable energy future. Key priorities include upgrades to and/or new interconnections with Queensland, Victoria and South Australia.

A new energy transmission investment strategy would ensure that NSW

attracts its share of new energy jobs in regional areas. An independent body, the Australian Energy Market Operator, has identified areas of regional NSW suitable for new renewable energy investment, including three for immediate development – Central NSW Tablelands, Northern NSW Tablelands and Murray River. To unlock the jobs and investment potential in these and other regions, the NSW Government needs to take the lead on the planning and investment framework. Modest financial support from the NSW Government for these early works could ensure network projects can get started immediately, without undue delay on what are already complex and time-consuming projects.

This should be accompanied by a proactive community and stakeholder consultation program to build a vision for development in these regions that enjoys broad community acceptance.

4. SKILLS AND TRAINING

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

ROOFTOP SOLAR AND BATTERIES

The Clean Energy Council calls on all parties to help NSW customers take control of their energy bills by committing to the following initiatives.

1. DROUGHT PROOF FARMERS USING SOLAR AND BATTERIES

NSW is facing a major drought and the effects on regional communities are significant. This comes on top of rising prices for electricity, which is a key input and on-farm cost. Farming businesses are taking up solar in response. The NSW government should support farming communities by helping them invest in solar and battery systems to reduce their exposure to high power prices.

2. SUPPORT COMMUNITY ENERGY AND MICROGRIDS

Develop a microgrid strategy and a fund for pilot projects. Microgrids in fringe of grid areas can have significant benefits in terms of improved safety and reliability for customers and reduced costs for networks. This is especially the case in rural and remote areas, where the cost of poles and wires is heavily cross-subsidised. In bushfire prone areas, solar and batteries can help to reduce bushfire risks and improve safety. By supporting communities in the move to microgrids, there will be savings and lower electricity prices for all customers – not just those supplied by microgrids.

A microgrid support fund would enable the establishment of pilot projects to ensure the smooth introduction of this exciting improvement in the way electricity is delivered to fringe of grid areas.

3. SOLAR AND BATTERIES FOR SCHOOLS

Invest in solar and battery systems for every NSW public school. Excess energy can be fed back into the grid, especially during the summer holidays when the school doesn't need the electricity, but the rest of the grid does. In Victoria, the Liberal Nationals announced a plan to provide every public school with a solar and battery system as well as grants of \$10,000 to assist with implementation costs.

4. ENERGY-AFFORDABLE RENTAL HOUSING

Mandate a minimum level of energy affordability for rental properties, based on an assessment of the building shell, fixed appliances and the installation of solar. By mandating the requirements, governments can ensure that landlords can claim energy affordability upgrades as tax offsets.

Help to reduce electricity bills for low income households by establishing a government program to support installation of solar PV systems on rental housing, installed at no upfront cost to tenants.

These initiatives will reduce energy bill pressure and improve the health and well-being of tenants.

5. ENERGY SELF-SUFFICIENT NEW HOUSES

Support the push to make all new-build homes not just energy efficient, but energy self-sufficient – with built-in rooftop solar, and potentially storage.

Provide funding and partner with land developers and home builders to supply zero net carbon homes in growth areas of NSW.

6. TARGETED SUPPORT FOR BATTERIES

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 rebate 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 and 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.

