

DELIVERING A RENEWABLE ENERGY FUTURE FOR VICTORIANS

Victoria has shown national leadership with a 2025 Victorian Renewable Energy Target of 40 per cent and a recent announcement of a \$1.3 billion Solar Homes program.

The Clean Energy Council welcomes these initiatives and encourages all Victorian parties to adopt the following recommendations for large-scale renewable energy, rooftop solar and batteries.

LARGE-SCALE RENEWABLE ENERGY

1. DELIVER 2025 VICTORIAN RENEWABLE ENERGY TARGET AND SET A TARGET FOR 2030

Roughly five gigawatts of old coal-fired power stations are due to retire from the National Electricity Market by the early 2030's, meaning that new electricity generation capacity must be built over the coming decade.

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.

Victoria has a considerable role to play, both because of its reliance on ageing coal-fired generation, and the enormous opportunity for renewable energy to deliver investment and employment across the state.

Victoria's Renewable Energy Target (VRET) of 40 per cent by 2025 is expected to stimulate an additional \$7 billion of investment, \$2 billion of economic activity and 10,000 jobs. This target must be retained.

New energy projects have a commercial life of 15 to 25 years. Therefore, investment confidence would be enhanced if the Victorian Government were to make a commitment to a VRET well beyond 2025. Given the considerable time it takes to plan, design and seek approvals and finance for new energy plants, a further renewable energy target should be set and legislated for 2030 and beyond in order to maintain the momentum for new investment.

2. COMMIT TO FURTHER RENEWABLE ENERGY REVERSE AUCTIONS

Delivering Victoria's targets for renewable energy requires a credible and enduring policy mechanism. This is no longer about providing subsidies to least-cost renewable energy and energy storage projects, but about ensuring certainty to investors.

A commitment should therefore be made to further rounds of reverse auctions for new renewable energy generation projects to be built in Victoria from 2021, to ensure delivery of the 2025 and 2030 renewable energy targets.

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

Most importantly, they are an effective strategy for strengthening local supply chains within the renewable energy industry, by creating an obligation for minimum local content procurement across all bids. The successful projects thereby deliver increased local economic activity, build specialist skills, capabilities and future development opportunities within the local economy.

3. MAINTAIN STABILITY IN VICTORIA'S PLANNING REGIME

A vibrant renewable energy sector requires a predictable and workable planning regime that is fit for purpose for these new technologies and solutions.

Victoria's current planning framework currently provides a robust and appropriate assessment process for renewable energy developments. In the interests of policy stability and investor confidence, it should be maintained.

Renewable energy developments can take several years to develop, from the initial landholder and community engagement through to the design, planning assessments and construction. Any significant changes to the planning regime could be disruptive and costly, putting a handbrake on investment and slowing efforts to lower electricity bills for consumers and businesses.

The solar industry has warmly welcomed the Andrews Government's announcement of a new agency, Solar Victoria, to support the roll out of a \$1.3 billion Solar Homes program that will support the installation of solar in 710,000 homes over 10 years.

The means-tested program will provide up to \$2250 for new solar PV systems and up to \$1000 for replacement solar water heaters. The program is open to owner-occupied houses and community housing.



ROOFTOP SOLAR AND BATTERIES

The Clean Energy Council calls on all parties to match or exceed the Solar Victoria announcement. To further support Victorians to take control of their energy bills the Clean Energy Council calls on all parties to commit to the following initiatives.

1. SOLAR FOR RENTERS

A government program to facilitate the installation of solar PV systems on rental housing, installed at no upfront cost to tenants. Tenants will receive lower power bills and governments will have lower energy concession liabilities, offsetting the cost of the support for the system.

2. 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 Melbourne.

3. 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 PV. By mandating the requirements, governments can ensure that landlords can claim energy affordability upgrades as tax offsets.

This initiative will reduce energy bill pressure and improve the health and well-being of tenants.

4. TARGETED SUPPORT FOR BATTERIES

Batteries can reduce network costs, improve safety and reliability, and reduce costs for consumers. They can also allow for higher levels of renewable generation to be integrated into the grid. Well-designed support programs can be a cost effective way of addressing a range of social and economic issues while improving utilisation and prospects for renewable generation. The benefits will be most pronounced if the rebate is targeted at key demographics, geographic areas or areas of the network.

a. Low-income households

Support programs similar to those being developed by the Marshall Government in South Australia, which has committed to targeted rebates and other 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.

b. Fringe-of-grid areas

Energy storage at fringe-of-grid areas can have significant benefits in terms of improved safety and reliability for customers and reduced costs for networks.

c. Bushfire prone areas

Solar and batteries can help to reduce bushfire risks and improve safety.

d. Affected rural industries

Some rural industries (e.g. dairy) have been severely affected by increases in electricity prices and could be further affected in future. Solar, batteries and microgrids could be an important part of the solution and needs government support to assist rural producers with investment.