

CLEAN ENERGY COUNCIL POLICY AGENDA & PRIORITIES FOR NSW ELECTION

A clean energy vision for NSW

Over the past decade, New South Wales has made great progress in its transition to clean energy. In that time, renewable energy has boomed from less than 10 per cent of electricity generation to now more than 25 per cent. This shift has been powered by dozens of large-scale wind and solar farms as well as more than 800,000 households and small businesses with rooftop solar, totalling more than 13 GW of generation capacity.

This has already created more than 7000 direct jobs and attracted billions of dollars in investment, especially into regional NSW, and has played a key role in preparing for the approaching retirement of coal power stations.

Our vision for Australia, and for NSW, is of reaching 100 per cent renewable energy by 2030, creating a modern electricity system that is clean, reliable, affordable and responsible.

While strong progress has been made towards reaching 100 per cent renewable energy, the pace of change needs to accelerate to reach government commitments on renewable energy and to support reaching national climate targets and international climate outcomes. Recent analysis indicates that the pace of roll-out of renewable energy, in terms of installed MW per year, needs to approximately double.

Fortunately, NSW has an excellent legislative and policy platform from which this re-doubled effort can be launched. The NSW Electricity Infrastructure Roadmap is an ambitious, comprehensive, nation-leading framework for driving the energy transformation, and the roll-out of renewable energy zones (REZ) is supporting the growing interest in NSW as a home for projects that will continue to bring investment, jobs and community benefits to regional NSW. Important initiatives such as the Transmission Acceleration Facility are also critical to accelerating the future roll-out.

The good work delivered by the NSW Government to date should be retained and built upon in the next term of Parliament.

The remainder of this document outlines a series of ideas that should be pursued, in close consultation with the renewable energy sector, as matters of priority by the next NSW Government. We look forward to continuing our work with the NSW Government and other stakeholders to accelerate the state's energy transformation.

Additional policy priorities for the next term

1. Doing renewables well

- **Advancing offshore wind as a complement to onshore renewable energy:**
 - The NSW coastline, with a strong offshore wind resource and excellent port facilities, is perfectly situated to capitalise on the enormous potential of offshore wind. Registration of interest processes for the Hunter and Illawarra REZs have already identified 15 offshore wind projects under development, representing almost 13 GW of capacity, demonstrating that the potential is ready to be delivered.
 - The NSW Government should set targets for offshore wind capacity to be achieved by 2035 and 2040, along with a clear timetable of procurement processes to send strong signals to both project developers and supply chain manufacturers to continue to invest in the growth of the sector. Alongside this target-setting, the NSW Government should scale up its work to support the development of the broader offshore wind industry, such as port upgrades, transmission requirements, supply chain and workforce needs.
- **Streamlining of planning approvals to enable acceleration**
 - The roll-out of large-scale renewable energy projects needs to accelerate if we are to meet government commitments on the energy transition and on climate change. Longer and more complex (and sometimes inconsistent) planning and assessment frameworks are creating delays in the project pipeline. NSW is also one of the costliest states in terms of planning application fees.
 - There is a need to streamline these processes. The aim should be to ensure faster establishment of renewable energy projects in appropriate locations; provide a simple and transparent planning system with a proportionate balance of impact, community involvement and assessment effort; and to reduce the overall average decision-making time.
- **Deliver incentives to scale-up ‘agrisolar’ projects:**
 - At a state-wide level, solar farms consume only very small amounts of land. Even if all the solar needed in NSW were built on important agricultural land, less than 0.5 per cent of this land would end up hosting solar farms. Despite this, there are benefits to communities in finding ways for solar and agricultural production to be co-located, such as improved agricultural output and enabling farmers to retain a connection to the land.
 - The NSW Government should develop an incentive scheme to encourage greater use of agrisolar principles in large-scale solar projects and to go beyond demonstration-scale projects. An agrisolar approach may not be suited to all solar farms, but optional support will help more industry players to adopt these practices where possible. This not only provides for potential co-benefits for both solar and agriculture, but also helps to manage a growing area of community concern about renewables.

2. Investing in people and industry

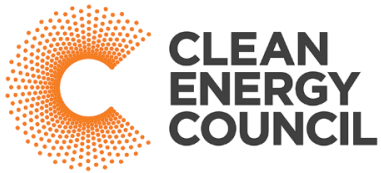
- **Support coordination/sequencing of projects**
 - NSW's ambitious renewable energy roll-out creates high demands on for a range of highly and less skilled short-term workers in regional areas. The NSW Government should look to mechanisms that support coordinating or sequencing project developments to flatten the peaks and valleys of labour demand in specific regions.
- **Pooling of supply chain demands**
 - On easily transportable elements of the supply chain, the NSW should coordinate with neighbouring states and look to mechanisms that pool supply chain demands, thus providing strong market signals and certainty of demand to potential manufacturers.

3. Supporting Australia to become a clean energy superpower

- **Adding certainty and reducing investment costs for utility-scale storage**
 - NSW has already made excellent progress towards incentivising entry of energy storage, through adapting the Long-Term Energy Service Agreements (LTESAs) and Access rights frameworks. However, gaps still remain, such as the relative lack of certainty regarding future procured volumes of peaking storage through the Firming LTESAs.
 - Greater certainty regarding volumes of storage that will be procured will help to reduce investment costs. This could be provided through establishing clearer pathways for procured storage through an Infrastructure Investment Objectives report for short- to mid- duration storage and firming assets.
- **Incentives for residential rooftop/battery uptake**
 - Australians have enthusiastically adopted rooftop solar PV to manage their energy costs and contribute a directly to the clean energy transition. Rooftop solar installs represent the majority of new generation capacity connecting to the market, demonstrating the critical contribution that distributed, customer-centric energy approaches to make to achieving net zero and clean energy goals. However, not everyone can afford to invest in their own solar PV or battery, which is why increasing support for community energy, solutions for apartment dwellers and renters will allow a broader range of Australians to support clean energy and reduce their electricity bills.

4. Getting the grid ready

- **Support urgent reform to fix the connection process**
 - Inefficient connection processes are preventing critical new supply from being brought to market. The Clean Energy Council and Australian Energy Market Operator are working collaboratively to fix these frameworks, focussing on various elements of the connection process including registration, batching and performance standards. The next NSW Government should contribute to and support this work.



- **Accelerate transmission development**
 - As we have already seen, coordination of national and state-based funding can be effectively used to accelerate and coordinate REZ and interconnector buildout. We also consider that more can be done to address existing network 'black spots', where relatively small augmentations to existing networks can help unlock large volumes of already constructed renewable generation and storage.
- **Announce a vision to electrify homes and businesses**
 - Electrification is a far more efficient and cost-effective way than gas to heat buildings and water, and to cook food, and the NSW Government should clearly communicate electrification as its primary decarbonisation strategy for homes and business. An electrification strategy can also leverage NSW leadership in rooftop solar, and help households extend their clean energy advantage to other energy needs within the home.
 - Such a strategy should be backed up by a comprehensive awareness/education campaign about the benefits of switching from gas to green electricity, incentives for consumers to 'go electric' for their next space and water heating and cooktop purchases, and training programs for plumbing and electrical trades to support households and businesses to make the switch.
 - Meanwhile, the development of renewable gases like green hydrogen or biomethane should be supported for those energy needs that cannot readily be electrified (such as high temperature heat for industrial processes).