Monday 22 July 2019

The Independent Expert Panel on Interim Targets
C/o: Department of Environment, Land, Water and Planning
Level 1, 8 Nicholson Street
EAST MELBOURNE Vic 3002

Lodged to Climate.Change@delwp.vic.gov.au

Dear Mr Combet AM, Dr Whetton and Dr Stephenson,

Clean Energy Council Submission to the Interim Emissions Reduction Targets for Victoria (2021 - 2030)

The Clean Energy Council (CEC) is the peak body for the clean energy industry in Australia. We represent and work with hundreds of leading businesses operating in renewable energy and energy storage along with more than 6,000 solar and battery installers. We are committed to accelerating the transformation of Australia’s energy system to one that is smarter and cleaner.

The CEC welcomes the opportunity to comment on the Final Report of the Independent Expert Panel in relation to advice on emissions reduction targets for Victoria 2021-25 and 2026-30. This consultation is critical if Victoria is to achieve net zero greenhouse gas emissions by 2050.

Australia has world class renewable energy resources and Victoria has myriad opportunity to decarbonise its electricity sector through uptake with renewable energy, energy storage and enabling infrastructure. We encourage the Victorian Government to support R&D and demonstration programs to realise technological advancements in renewable energy production. The renewable sector provides a template for this through the strong work of ARENA. The Clean Energy Council strongly supports an extension to ARENA to ensure it can continue to focus on and unlock this massive opportunity.

The Clean Energy Council has not responded to all questions and have instead focused our responses on the matters we believe are of priority for the Victorian Government. This submission is in addition to CEC’s submission made on the draft report in 2018.

Thank you for the opportunity to comment on this consultation. If you would like to discuss this submission, please contact Ms Maryanne Coffey

Yours sincerely,

Maryanne Coffey
Emerging Technologies and Projects Manager
Clean Energy Council
mcoffey@cleanenergyCouncil.org.au
Attachment A

Questions

1: Do you support these targets recommended by the Panel?

Yes, and agree with the final reports finding that decarbonising electricity generation presents the largest opportunity for Victoria. We encourage the Victorian Government to engage the right enablers to increase action and business investment to support these targets.

2: Are these the key issues influencing what the right targets are for Victoria? Are there other issues that should be considered?

The Clean Energy Council agrees with the panels advice that transitioning the electricity sector will be critical to achieving interim targets to 2030. Setting interim emissions reduction targets sends will assist Victoria seize economic opportunities through moving to a low emissions economy.

Further, the target supports Australia’s international Paris Agreement Target. The Victorian interim emissions targets along with other State and Territory targets will help Australia meet its international emissions reduction target.

3: Do you agree with the Panel’s indicative trajectories to 2050?

Yes, alongside a review of 2030 interim targets in 2023 giving flexibility to ramp up measures.

4: Are there other key greenhouse gas emissions reduction opportunities beyond those the Panel identified?

In addition to those in the final paper he energy sector can contribute more than its proportionate share of emissions reductions with opportunity to support other sectors including transport and industrial processes.

The CEC recognises the significant role hydrogen can play in Australia’s energy future too and the hydrogen export potential when paired with renewable energy for production. These present significant opportunity for Victoria.

5a: Across the Victorian economy, which activities do you think the Victorian government should prioritise in reducing Victoria’s greenhouse gas emissions?

As noted by the panel, for the recommended targets to be met a large portion of the emissions reduction will need to occur in the electricity sector. This is a sensible recommendation as the electricity sector has significant low-cost opportunities to reduce State and National emissions.
A further reason for a clear focus on the energy sector is its ability to influence the decarbonisation pathway of other sectors such as the transport sector, where the uptake of electric vehicles is set to increase substantially. Increasing popularity of electric vehicles will bring an increase in electricity demand, which will require additional generation from renewable sources.

A second interconnector between Victoria and Tasmania could come online in the mid-2020s supporting further renewables development in Victoria through low-cost firming options. It will also provide additional wholesale competition in the Victorian (National Electricity Market) region which can deliver positive outcomes for Victorian electricity consumers. See CEC submission on Marinus link https://assets.cleanenergycouncil.org.au/documents/advocacy-initiatives/submissions/project-marinus-initial-feasibility-report.pdf

Victoria is positioning itself strongly through the support for wind and solar generation, with the report noting “there has already been significant uptake of rooftop solar and CSIRO predicts that the number of rooftop solar panels in Victoria will increase by 500% by 2030”. This wind and solar will require firming to meet demand at times of low supply. If Victoria relies on firming provided by carbon emitting technologies, there is a risk of emissions-related cost pressures that would inevitably impact the customer and may threaten the achievement of the targets.

5b: What policies or programs are needed to drive these emissions reductions?

To deliver the transformation of the energy sector into one dominated by low emission generation, policy certainty is required to ensure that investment continues in this sector. Considering the capital intensive and long-term nature of energy infrastructure, investors require consistent and effective policy to provide confidence in investment. The renewable energy industry is on track to meet the Renewable Energy Target by 2020, revealing the success and importance of long term bi-partisan policy support.

The right enablers are required to encourage investment in renewable energy to meet Victoria's emissions reduction targets. As the electricity sector contributes around one third of Australia's annual emissions there is opportunity for the Victorian Government to set more ambitious timescales and percentages encouraging activity in the industry and sending a clear signal to industry for investment.

The Victorian Government needs to implement policy to support flexible capacity and energy storage. As the Victorian electricity system continues to transition increased energy storage will keep the power system reliable and prevent electricity price hikes.

7: In addition to those identified by the Independent Expert Panel (see Chapter 7 of the Panel’s report), are there other key benefits of reducing greenhouse gas emissions?

For the successful uptake of low carbon technologies in the energy generation sector to occur, there will need to be a skilled workforce available to meet the new requirements of the industry.

Considering the highly skilled nature of the electricity workforce, it is important that the Victorian government prepare now for the needs of sector going forward so as not to
stall the progress of the renewable energy industry and the emissions reductions that come with it.

The Victorian government must also make investments to support innovation in the clean energy industry to help advance the uptake of low carbon technologies. Strategic investment and pilot programs from the Victorian government are essential to innovation and knowledge sharing within the industry. The government should not ignore the value of investing in innovation and R&D in supporting emission reduction opportunities.