

## Opening Remarks

Good afternoon and thank you for the opportunity to speak with you today.

The Australian Wind Alliance is a community organisation. Our 800 members and thousands of supporters want to see a strong take up of wind power for two reasons - to help regional communities thrive and to clean up the power sector. Many of our wind power supporters live in regional NSW, from where I've made the trip in today. We are independent of the wind industry and argue consistently for a high bar around community engagement and benefit sharing from wind companies.

I would like to address my opening remarks to two of the Committee's terms of reference;

- a) the reasons for recent increases in the price of electricity, and
- f) the adequacy of planning to meet future electricity demand

I refer to the information in the tabled document.

### *(a) price rises*

- As graph 1 from the Australian Energy Market Commission shows, wholesale price rises have been the primary driver of electricity price changes, rising \$120 for the average bill from 16/17 to 17/18. From there, wholesale prices ease for the following two years. All other components of the bill remain flat throughout.
- As graph 2 shows, this wholesale price spike occurred across all NEM states in 17/18 following the announcement of the closure of Hazelwood power station in Victoria.
- The AEMC points out that prices are expected to decrease this year and the next following the introduction of 4,000 MW of new wind and solar capacity under the federal Renewable Energy Target.
- The key thing to note here is that that this new RET-driven capacity arrived two years too late. This was a direct result of the Abbott government's effective suspension of the RET scheme from 2014 - 2016.
- That is, federal failure on energy policy, notably from the Abbott government, was the primary driver of power price rises for NSW consumers.
- A primary question for this Committee must be what NSW can do to insulate itself from ongoing federal failure on energy policy.

*(f) meeting future electricity demand*

- A full 60% of NSW's coal generation fleet - or 5,880 MW of capacity - will be closing in the next 15 years, quite possibly earlier. Without proper planning, there is a very real risk of Hazelwood-type price spikes and sustained high wholesale prices.
- Unless you're willing to bet NSW consumers' bills on the feds suddenly getting their act together, my suggestion would be that NSW needs to be proactive and take your own measures to ensure you have enough new renewable supply BEFORE these plants close.
- NSW must act on its Climate Change Fund - Draft Strategic plan and use innovative market mechanisms to drive development and construction of wind projects in NSW's wind regions.
- One measure you could consider would be the successful reverse auctions for new wind and solar plants that have delivered power price reductions in neighbouring ACT.
- I'm happy to elaborate further on how a renewables-dominated grid can supply secure, reliable electricity 24/7. And also why HELE coal plants would be expensive and detrimental for NSW.
- There is also a role for the NSW government, in partnership with bodies such as ARENA, to kick start projects in NSW that provide despatchable support to renewables, and to improve the statewide grid.

I look forward to answering your questions.