



AUSTRALIAN
WIND ALLIANCE

Submission to the review of the Federal Government's Climate Change Policies

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About AWA

The Australian Wind Alliance is a community advocacy group for wind energy. We have around 700 members across the country who are a mix of farmers, wind workers, local businesses and community members. We advocate for greater uptake of wind energy to deliver economic benefits to regional Australia and clean up Australia's energy supply. We represent a community voice of support for wind which is distinct from that of industry.

Summary

We appreciate the opportunity to make a submission to the review of the Federal Government's Climate Change Policies and look forward to participating in the full review.

Our current suite of policies is failing Australia. There is a strong possibility we will not meet our Paris commitment to reduce emissions by 26-28% below 2005 levels by 2030. This target itself is not adequate for Australia to play its part in the international effort to limit warming to no more than 1.5 degrees above pre-industrial levels¹. The obligations made to the rest of the world in the Paris Agreement in 2015 must be taken seriously for the future prosperity of our nation, and the international community.

¹,Climate Change Authority, Final Report on Australia's Future Emissions Reduction Targets, 2015

<http://climatechangeauthority.gov.au/sites/prod.climatechangeauthority.gov.au/files/Final-report-Australias-future-emissions-reduction-targets.pdf>

Since the repeal of the carbon pricing mechanism, Australia has lacked effective and coordinated policy to transition Australia's economy towards a zero-carbon future. As the current energy crisis demonstrates, Australia's prosperity will continue to suffer until this policy vacuum is rectified.

This submission will concentrate on the energy sector and the need to move towards a 100% renewable economy by 2030. The opportunities from this transition are several - cleaner energy, reduced emissions, economic benefits for regional Australia and the nation's economy and, importantly, cheaper prices as the cost of wind and solar energy and battery storage fall rapidly.

The opportunities and challenges of reducing emissions on a sector-by-sector basis

- Australia's energy system is outdated, polluting, poorly managed and inefficient, but we have the technology and knowledge to rapidly repower the country with clean renewable energy, reboot our failing electricity system and remove the roadblocks holding back the renewables. We must move to 100% renewable electricity by 2030 in a way that is inclusive, equitable, and ensures low-income and vulnerable households benefit from the clean energy transition. As the cheapest source of large-scale renewable energy, wind power will play a key role.
- Mechanisms including reverse auctions, public investment and other policies are available to get the right clean energy built in the right places. Storage solutions such as batteries and pumped hydro that balance variable wind and solar supply with demand will be key and should be prioritised by whichever mechanisms are chosen. Other dispatchable renewables, including sustainable bioenergy and concentrating solar thermal with storage will also be important.
- The reverse auctions conducted by the ACT have demonstrated that provisions for community engagement and social inclusion spread the benefits of new wind and solar infrastructure widely across regional communities.
- We see an Emissions Intensity Scheme as a potential one of these mechanisms but to be valuable it needs to be part of a plan to phase out coal- and gas-fired power.
- A plan for the orderly closure of coal-fired power generation by 2030 is essential to ensure that workers and communities have time to prepare and retool. A national authority could ensure that these closures are timed with the introduction of sufficient firm renewable capacity to maintain grid stability throughout the transition.

The impact of policies on jobs, investment, trade competitiveness, households and regional Australia

- The inevitable transition to renewable generation will be an unprecedented boost to jobs and growth as energy generation is increasingly hosted, not just in the Hunter

and Latrobe Valleys, but all across regional Australia. The boom during construction, the boost to long term employment from jobs servicing the new infrastructure and the injection of cash from payments to farmers who host this infrastructure is sorely needed in regional Australia. In 2014 the Clean Energy Council estimated that the current Renewable Energy Target has created at least 24,000 jobs since its inception in 2001. There have been thousands more jobs created by renewables in the three years since then.

- In its analysis of the economic impacts of the Macarthur and Oaklands Hill Wind Farm, SKM found that gross regional product and employment in the Local Government Areas (LGAs) of Southern Grampians Shire, Moyne Shire, Glenelg Shire and the Warrnambool City was boosted significantly by these projects. A total of \$146.7m and 875 jobs were added during construction with an annual injection of \$66.8m and 52 jobs each year for the next 25 years.
- A study of the Waubra and Gunning Wind Farms by PricewaterhouseCoopers found that the Waubra Wind Farm boosted the gross regional product of the Central Highlands region by 6%, or \$346m over 10 years².
- The promotion of community involvement in renewable energy projects, whether through outright community ownership, community investment or financial benefit sharing of projects will help ensure benefits to regional communities are fully realised.

The integration of climate change and energy policy, including the impact of state-based policies on achieving an effective national approach

- The integration of energy and climate policies into one portfolio is a welcome development and should be maintained.
- Energy market rules and institutions must be reformed to enable renewable energy and storage technologies to improve energy system stability and cut power bills. In particular, the aim of environmental sustainability needs to be included and given equal importance with price and security in the National Electricity Objective. Other reforms such as five minute settlements will allow battery technology to compete on an equal footing with gas-fired power for peaking supply.
- State-based renewable energy policies have driven investment in renewable energy over the last two years. The schemes implemented in the ACT, Victoria and South Australia have been effective at creating competition, innovative projects and 'discovering' the lowest prices for renewable energy Australia has seen. Should

² Economic Benefits of the Waubra and Gunning Wind Farms, PricewaterhouseCoopers, 2012

federal government absence of leadership continue, state-based schemes are preferable to ensure momentum towards zero-emissions is maintained.

The role of research and development and innovation

- Financial and business support must be provided for renewable energy research, development and deployment, including an expanded role for the Australian Renewable Energy Agency (ARENA) and the Clean Energy Finance Corporation (CEFC).

A potential long-term emissions reduction goal post-2030

- Australia should aim to achieve zero net carbon emissions as soon after 2030 as possible to play our part in international effort to limit warming to no more than 1.5 degrees above pre-industrial levels.
- If a long-term emissions reduction goal is set, then there must be a regular assessment of our performance in achieving this goal by an independent, credible and properly funded authority. An adequately staffed and resourced Climate Change Authority can fill this role, as it used to do in the recent past.