SolarCitizens
A community voice for solar

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Solar Citizens' 2021-22 Pre-Budget Submission

Thank you for the opportunity to make a submission for the 2021-22 budget.

Solar Citizens is an independent, community-based organisation bringing together the millions of Australians who are already powering their lives with the sun, and the many more who want access to cheap and clean electricity, to pursue a fast and fair transition to renewables. We have over 100,000 supporters across the country, but are primarily based in Queensland.

As the world moves towards a low-carbon future, Australia is well-placed to capitalise on emerging opportunities to export renewable hydrogen and 'green' commodities, such as steel and aluminium. Far from being a choice between credible climate action and thriving regional employment, Australia can have the best of both worlds by utilising cheap solar and wind energy to expand onshore manufacturing and minerals processing.

Around the globe, demand is growing for low-carbon products and the minerals needed to produce clean energy technology. There are few places in the world that are better suited to meet this growing demand: Australia has world-class solar and wind resources, a strategic location close to key Asian markets, a skilled workforce, and metal deposits needed to build a renewable future. We have a unique opportunity to repower our industry with cheap and abundant renewable energy and keep it globally competitive.

On top of the direct economic benefits of investing in renewable energy projects and industry, it's also in the best interest of Australians and the Australian economy to do our part to limit global climate change to 1.5°C. Modelling from ClimateWorks Australia found

that halting global warming at 1.5°C requires a 74% cut in emissions by 2030 (below 2005 levels) and 79% renewable energy uptake by 2030[1].

Reaching these emissions reduction targets will require a planned transition for the energy system, significant investment in transmission infrastructure and the build out of the Australian Energy Market Operators' (AEMO) Renewable Energy Zones, and incentives for the uptake of electric vehicles.

Below is a list of six priorities that Solar Citizens encourages the Australian Government to commit funding towards to reduce emissions and establish a thriving renewable manufacturing sector.

1. **Work with state and territory governments to implement Renewable Energy Industry Precincts by assisting with coordination, providing grants, and low-interest finance through the Clean Energy Finance Corporation.**

Renewable Energy Industry Precincts (REIPs) co-locate industry and renewable hydrogen production facilities in a location that's powered entirely by renewable energy. By utilising shared infrastructure, having access to cheap energy and reducing the need for the transportation of renewable hydrogen, new and existing industries can achieve economies of scale and stimulate job creation in regional Australia. REIPs can be seen as expanded versions of 'hydrogen hubs' as outlined in the National Hydrogen Strategy.

In a Queensland context, there is already interest in Townsville, Gladstone and Barcaldine from local councils and businesses for the development of clean energy industries, including renewable hydrogen projects. Participating businesses could include: battery storage manufacturing and assembly plants, renewable agriculture projects like Sundrop Farms, and chemical processing facilities.

[1] ClimateWorks Australia (2020). Solutions, actions and benchmarks for a net zero emissions Australia.

2. **Assist with the rollout of AEMO's Renewable Energy Zones and underwrite the planning for all transmission projects identified in the 2020 Integrated System Plan.**

As the cost of solar and wind continues to come down, it's becoming increasingly likely that Australia's ageing coal-fired power stations will retire sooner than the end of their technical life. To ensure that the electricity system remains reliable and affordable for consumers, it's essential that the transition is coordinated and there's enough renewable energy generation backed by storage to replace retiring generators.

Right now transmission bottlenecks and policy uncertainty are delaying investment in large-scale renewable energy projects. To resolve this issue the Australian Government should plan for a rapid transition, in accordance with credible climate science, in part by fast-tracking the delivery of Renewable Energy Zones and underwriting the planning for all transmission projects outlined in the ISP – including future ISP projects.

3. **Provide grants and interest-free loans for 100,000 household battery storage systems to be installed by 2023, prioritising battery brands that are manufactured or headquartered in Australia.**

Australia could be a leading global battery manufacturer as we're rich in the required minerals, have good infrastructure, a skilled workforce and are close to Asian markets. By rolling out 100,000 battery systems by 2023, the Australian Government can stimulate local demand and encourage battery manufacturers to set up facilities in all states and territories.

The South Australian battery scheme successfully encouraged international companies to start assembling batteries locally by prioritising locally-made systems. An Australian-wide battery scheme could also create enough local demand to make new onshore lithium refineries and battery recycling plants more attractive.

4. **Allocate $500 million and provide interest-free finance to assist with the rollout of small-scale solar and storage where it will provide long-term benefits to the**

community: on schools, hospitals, community buildings, in fire-prone areas and remote Aboriginal communities.

Small-scale solar can provide significant electricity bill savings for facilities that operate during the day. For example, rolling out rooftop solar on schools can generate long-term savings that can be used to fund additional learning resources and teaching support.

And in the case of fire-prone areas and remote Aboriginal communities, installing solar and storage microgrids can increase local energy resilience, and provide diesel fuel and network savings.

5. **Work to reduce emissions in the transport sector by incentivising the uptake of electric vehicles.**

Prior to the outbreak of COVID-19, Australia's transport sector was the country's fastest growing source of emissions. The Australian Government can play a major role in increasing the uptake of cleaner electric vehicles by offering low-interest loans for electric vehicle purchases, funding more charging infrastructure and removing the Luxury Car Tax on zero-emissions cars.

6. **Support job transition and retraining for fossil fuel workers as the market moves towards cleaner energy sources.**

In some regional communities, coal-fired power stations are major local employers. It's vital that the Australian Government plans for the retirement of Australia's ageing coal-fired generators so that affected workers can be retrained and redeployed. A planned transition will provide certainty for workers and renewable energy investors – helping to minimise boom-bust cycles of investment.