

Economics Industry and Standing Committee
 Legislative Assembly Committee Office
 Level 1, 11 Harvest Terrace
 WEST PERTH WA 6005



**Chamber of Commerce
 and Industry WA**

ABN 96 929 977 985
 T: (08) 9365 7555
 E: info@cciwa.com
 W: www.cciwa.com

Via email: laeisc@parliament.wa.gov.au

INQUIRY INTO MICROGRIDS AND ASSOCIATED TECHNOLOGIES IN WESTERN AUSTRALIA

The Chamber of Commerce and Industry Western Australia (CCI) welcomes the opportunity to make a submission to the Economic and Industry Standing Committee (Committee) *Inquiry into Microgrids and Associated Technologies in Western Australia* (Inquiry). CCI supports the Committee's intent to better understand what the increasing prevalence of microgrids and associated technologies means for Western Australia's energy supplies and broader economy.

The Committee's terms of reference are very broad, and CCI notes that 'associated technologies' have not been defined under the Inquiry. CCI assumes that associated technologies in the context of the Inquiry include, but are not limited to: distributed generation technologies (such as renewables, fuel cells and micro-turbines), energy storage systems, advanced metering infrastructure, electric vehicles and ICT-based products such as peer-to-peer trading platforms.

According to Section (b) of the Committee's terms of reference, the inquiry is assessing opportunities to maximise economic and employment opportunities associated with the development of microgrids and associated technologies, including: the development of raw material resources/primary commodities; research and development; design, engineering and construction; as well as advanced manufacturing. This aspect of the inquiry is relevant to an economic viability study into the battery supply chain currently being undertaken by CCI.

Western Australia is an established producer of minerals and metals used in the global production of batteries and is progressively moving further into advanced mineral and metal processing, as well as chemical production. Several CCI members and other stakeholders are interested in understanding the potential for Western Australia to leverage its competitive advantages and maximise the value it derives from markets associated with battery production. This could involve diversifying minerals and metals production, moving further downstream into advanced mineral processing and chemical production, and potentially into advanced manufacturing.

However, there is currently a lack of understanding about the economic viability of Western Australia participating in various elements of the supply chain – this presents a major barrier to developing well-informed policies and strategies for facilitating investment in the State's industrial capabilities. CCI's study aims to help industry and government better understand this opportunity by assessing the economic viability of Western Australia expanding its role in markets associated with battery production.

180 Hay Street, East Perth
 Western Australia 6004
 PO Box 6209, East Perth
 Western Australia 6892

Chamber of Commerce and Industry
 of Western Australia (Inc)
 ARBN 099 891 611
 Incorporated in Western Australia

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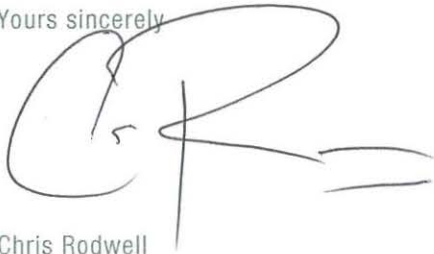


As economic diversification is a shared priority for CCI members and the Western Australian State Government, there is an opportunity for industry and government to work together to attract the investment necessary for expanding Western Australia's involvement in the global battery supply chain and associated markets. By considering the findings of CCI's study, the Committee will be well placed to understand the broader economic opportunities arising from the increasing prevalence of energy storage systems and electric vehicles. In turn, this will help the Committee make evidence-based recommendations to government.

Due to the scope and depth of the economic viability study, it will not be completed prior to the Committee's 13 April 2018 deadline for submissions. CCI therefore requests that the Committee considers accepting a submission containing findings from the economic viability study once it is completed. It is anticipated that a final report will be completed by late July 2018, with findings to be made available to the Committee shortly thereafter.

If the Committee or its staff members would like to discuss any of the points outlined above, please contact Justin Ashley, Manager – Policy on justin.ashley@cciwa.com or 9365 7416.

Yours sincerely



Chris Rodwell
Chief Executive Officer