

## **Tabled Paper – LC QWN C394**

The State Government has so far announced about \$1.8 billion of initiatives to help households and businesses manage the pandemic and lessen the impact of the economic consequences. These include initiatives to provide relief to landlords and tenants, provide payroll tax relief and electricity credits for small businesses, waiving a range of licence fees, and assistance to ensure community groups can continue to operate.

As the pandemic response moves to a recovery phase, the government is examining initiatives to support specific sectors of the State's economy to ensure industries have an environment in which they can successfully rebound from the effects of the pandemic.

Initiatives, already announced which take advantage of WA's plentiful renewable resources which will support the State's economic recovery include:

### **Renewable Energy**

McGowan Labor Government is encouraging investment in renewable energy generation through its Energy Transformation Strategy.

A key part of the strategy is the development of a Whole of System Plan, which will highlight opportunities for renewable energy project development on Western Australia's main power grid, the South West Interconnected System (SWIS). The Whole of System Plan is likely to be completed by August 2020.

A major impediment to developing new renewable energy projects is gaining access to the SWIS. To assist renewable energy developers in connecting their projects to the SWIS, the Western Australian Government is updating the Electricity Networks Access Code to allow for more efficient access to, and use of, the grid.

On 4 April 2020 Minister for the Energy launched the Distributed Energy Resources Roadmap, a major component of the Transformation strategy, to better integrate rooftop solar, batteries and future technologies into the SWIS.

The Roadmap and Whole of System Plan will help to establish policy settings and regulatory frameworks conducive to future clean energy investments in the State.

The Roadmap is an Australian first, setting out 36 key actions to facilitate households and businesses to install increasing amounts of small scale renewables and battery storage into the State's distribution system. As indicated in the Roadmap, during 2020 there will be a further nine community battery PowerBanks installed within the SWIS, adding to the existing PowerBanks in Meadow Springs, Falcon and Ellenbrook.

The work being delivered through the Energy Transformation Strategy and the Distributed Energy Roadmap is essential to allow households and business to continue to invest in distributed renewable energy in a way that strengthens rather than weakens the overall grid.

Together the Whole of System Plan and the DER Roadmap will form Australia's first ever regulatory framework specifically designed to accommodate renewable energy generation on a large scale.

These timely initiatives will facilitate investment in both large scale and small scale renewable generation creating significant numbers of jobs, helping speed the State's economic recovery from the impact of the pandemic.

Further on 30 April 2020, the McGowan Government opened applications for the first round of funding under the Clean Energy Future Fund, as part of its commitment to facilitating solutions to reduce greenhouse gas emissions that promote innovation, new technologies and new opportunities for Western Australians.

Horizon Power is taking other steps to increase renewable energy and decarbonise its operations across regional and remote parts of Western Australia, for example through:

- deploying solar and battery based microgrids to supply cleaner, more reliable power to remote indigenous communities; and
- installing solar, batteries and using its DER Management Systems to manage power across the microgrid in the remote town of Onslow.

Western Power is developing plans for how, potentially with the support of all three levels of Government, it can accelerate its rollout of smart, efficient LED streetlighting. This will save on electricity costs, reduce maintenance costs, reduce greenhouse gas emissions and reduce the environmental risks associated with using mercury streetlights.

The State government is providing major project facilitation to the huge Asian Renewable Energy Hub proposal. The McGowan Government is always ready to provide support to new investment, including clean energy investment, in the State.

The Government is also continuing to explore further opportunities to support Western Australia's economic recovery. This includes negotiating with the Commonwealth Government on funding support for the infrastructure needed to deliver our Energy Transformation Strategy and reliable, affordable power to Western Australian homes and businesses.

The Commonwealth has made very substantial commitments to support energy infrastructure in the Eastern States, but has yet to make a fair contribution to Western Australia.

We are seeking Commonwealth funding for key investments needed to keep the SWIS secure and reliable and to accelerate the rollout of our Energy Transformation Strategy initiatives such as PowerBank batteries, stand alone power systems and renewable microgrids in remote communities.

## **Renewable Hydrogen**

Renewable Hydrogen, presents Western Australia with the unique opportunity to accelerate emissions reduction, diversify our economy, support innovation and create new long term job opportunities, particularly in the regions.

Large scale renewable hydrogen projects have the potential to play a key role in supporting the State's economic recovery following the COVID-19 pandemic.

The McGowan Government has moved quickly to position Western Australia to harness the opportunities the renewable hydrogen industry presents.

The WA Renewable Hydrogen Strategy was launched in July 2019 to position Western Australia as a major producer and exporter of renewable hydrogen.

To facilitate and accelerate private sector investment, a dedicated \$10 million Renewable Hydrogen Fund was announced, which includes \$9 million in financial assistance grants to industry to support for feasibility studies and pilot projects, and \$1 million dedicated to progressing essential work on regulatory issues and standards and other essential Government work to be undertaken by the Renewable Hydrogen Unit.

In January 2020 State Government announced a \$1.68 million investment to support feasibility studies across seven proposed renewable hydrogen projects for Western Australia to support development of the fledgling job-creating industry. Several of these studies are well progressed.

Further announcements on renewable hydrogen capital works projects are expected to be made in the coming months.

The State government is also currently exploring a number of green manufacturing opportunities using renewable hydrogen as part of their energy mix.

## **LNG Fuel Bunkering**

The Government is strongly supporting a push by the state's LNG production industry to establish the use of LNG by shipping in place of traditional fuels.

Shipping fuel is a major source of global greenhouse gas emissions, and the industry is committed to the use of more environmentally appropriate fuels.

LNG offers the potential to eliminate sulphur oxide, nitrogen oxide and particulate emissions and also provides a stepping stone towards the use of even cleaner hydrogen fuels.

WA has an opportunity now to develop a LNG bunkering hub in the Pilbara which would be a refuelling point for LNG bulk ore carriers.

Other major international ports are also seeking to establish LNG bunkering services for this emerging trade. To give our state a competitive edge in this field, the government has recently announced a support package for LNG shipping using Pilbara ports.

This package includes commitments to substantial discounts in port-related charges for LNG-fuelled ships using bunker facilities.

Discounts on these charges will be applied for a five year period from July 2020. The total estimated value of support to be offered over this period is \$5m, depending on how many LNG-fuelled ships join the fleet.

The commitment is also aimed at supporting the establishment of bunkering services that will provide an estimated 100 jobs in the Pilbara for technicians and maritime crews.

### **Carbon Farming**

Last December the Government announced the go-ahead for Human Induced Regeneration (HIR) carbon farming – marking the first time in the State's history pastoralists have been permitted to participate in the carbon farming economy.

Pastoralists will be able to earn at least \$70 million over 25 years from the Federal Government's Emissions Reduction Fund as a result of this decision.

The decision followed the State Government's previous in-principle support for Human Induced Regeneration (HIR) carbon farming, which led to the registration of 43 projects through the national Emissions Reduction Fund (ERF).

The 43 carbon farming projects have contracted more than five million tonnes of carbon abatement via the Commonwealth Emissions Reduction Fund. A further 15 million tonnes of carbon dioxide equivalent are expected to be sold directly to major greenhouse gas emitters.

The decision follows extensive consultation with the mining industry, pastoralists and Aboriginal representative bodies.

HIR carbon farming focuses on grazing strategies which promote regeneration of native vegetation and remove carbon dioxide from the atmosphere.

Carbon farming provides a real prospect that depleted rangelands soil and vegetation can be turned around and productivity restored.

### **Future Battery Industry Strategy**

In January 2019 the Future Battery Industry Strategy was launched to assist development of Western Australia's battery industry.

The WA Government's Future Battery Industry Strategy continues to support investment into this industry, including manufacturing, mining, processing and research and development.

The Strategy includes four focal areas including investment attraction, project facilitation, research and development and the adoption of battery technologies all of which could transform the processing, uptake and effectiveness of battery technology.

Through the Future Battery Industry Strategy, we will continue to promote Western Australia as a prime destination for investment in the battery value chain and facilitate the establishment of new future battery projects in Western Australia. We will continue to support research into future battery materials and technologies and will explore opportunities associated with the uptake of batteries in Western Australia and globally.