



**AUSTRALIAN  
CONSERVATION  
FOUNDATION**



**SolarCitizens**



community power  
agency



## A clean energy future for NSW

### *Policy Brief*

**Context:** NSW is lagging all the other states and territories in the National Electricity Market in the transition to clean energy. NSW is a drought declared state, with catastrophic bush fires to our north and elevated risks of more dangerous bushfires, flooding, extreme heat and a range of other impacts of climate change becoming more severe. The inadequacy of the NSW response to climate change is stark.

The bulk of NSW's electricity comes from five polluting coal fired power stations, four of which are scheduled to close in the next 15 years. More than 80% of our electricity comes from coal, that's more than any other Australian state. Clean energy is an obvious solution to reducing climate pollution and replacing dirty, coal generation. However, to date neither the NSW Coalition Government nor the ALP Opposition have developed a plan or policy package that recognises the technical and environmental realities that face NSW, nor the opportunities for job creation, cleaner air and lower power bills that a transition to clean energy presents.

That is why the Australian Conservation Foundation, Australian Youth Climate Coalition, Community Power Agency, Greenpeace, Nature Conservation Council, Solar Citizens, and 350.org have developed a six-point plan for NSW to go from laggard to leader on clean energy.

### 1. Go big on renewables

A cohesive, integrated energy and climate policy in NSW is needed to give confidence to the private sector, advance low carbon investment and accelerate new renewable energy generation in this state. While legislated percentage targets have worked in other states and jurisdictions, infrastructure or megawattage targets are another means of providing business certainty.

This plan should include:

- **The NSW Government should set a target to contract at least 4000MW of new large-scale renewable energy and storage infrastructure in NSW** in the next term of government (by 2023). This should be underpinned by reverse auctions (held twice a year) to encourage technology neutral renewable energy projects, this will:
  - Unlock approximately 1875 construction jobs each year<sup>1</sup> the majority of which will be based in regional NSW, and at least 280 ongoing jobs; and
  - Ensure that there is enough renewable energy capacity built in the case of coal power plant failure.
- The NSW Government should **ensure all NSW Government operations are powered by 100% clean energy within the next term of government**, [from schools](#) and hospitals to trains and government buildings, with priority given to new transport and infrastructure projects.

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<sup>1</sup> 7500 job years, which equates to 1875 jobs per year for the four-year term of government.

## 2. Ensure affordable clean energy for everyone in NSW

Climate change, electricity prices and cost of living are front of mind issues for the people of NSW. While the broader energy market is going through a state of change and retail prices are in flux, providing solar, battery and efficiency rebates, low interest loans and incentives gives families, young people and renters the tools to tackle their cost of living pressures at home. It encourages individuals to help bust their electricity bills and play their part in ensuring a cleaner energy future for NSW.

NSW has a higher proportion of locked-out energy users than other states with 30% of households renting and 21% of households living in apartments. This equates to approximately 40% of NSW households (~990,000) who currently can't put solar on their roof.

This plan includes:

- **Ensuring every household locked-out from solar (including rental properties) can access it in the next decade**, by introducing a Solar For All Rebate. The Solar For All Rebate should include:
  - In the next term of government the NSW Government should ensure that 400,000 locked-out energy households are supported to access solar at a cost of \$1.11 billion;
  - An extension of the existing Solar For Low Income Households Program<sup>2</sup> to provide full rebates for very low income households;
  - A half-rebate for other locked-out energy users similar in structure to the Victorian Solar Homes program, including public and social housing providers;
  - Only households that either cannot afford to put solar on their roof or do not have a suitable roof should be eligible for the Solar For All Rebate; and
  - Support for households to access solar on their own roof in a micro grid or through a solar garden (offsite solar).
- **Setting and enforcing standards to ensure all houses are energy efficient and healthy to live in.** This should focus particularly on rental properties and mandatory energy information disclosures at the time of sale and lease.
- **Supporting existing solar households to get batteries** through a combination of a zero-interest loan program and a series of Virtual Power Plants, similar to the South Australian Virtual Power Plan and battery initiative.
- **Establishing a \$100m Smart Energy Communities program.** This would:
  - Establish 10 clean energy hubs across the state to help community groups investigate and implement a range of models for community energy;
  - Provide grants for community energy projects, and
  - Provide advice to households and support farmers, local governments, social housing providers and others to implement renewables and energy efficiency programs.

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<sup>2</sup> We have concerns about the current Solar for Low Income Households program. Any Solar for All policy should ensure that households are better off from day one.

### 3. Double NSW's energy productivity by 2030

NSW has historically had a good track record on energy efficiency, but much more can and must be done, including:

- Extending existing programs, including the white certificate scheme.
- Establishing a **new \$200 million Manufacturing Energy Efficiency Fund** that supports electricity and gas intensive businesses (particularly small businesses) to become more energy efficient. This fund should focus on providing advice, training and grant funding and should particularly help businesses switch from polluting and expensive gas.

### 4. Prepare for the future

Ask AEMO to undertake a study investigating what will be needed to completely decarbonise the NSW electricity system, prepare for electric vehicles, switch from gas, and ramp up renewable exports. Additional research should be commissioned to investigate the industry and job opportunities of clean energy for NSW and an associated industry stimulus package should be developed in the first term of government to capitalise on these opportunities.

### 5. Clean up our air

Air pollution contributes to the premature death of more than 3000 Australian's a year, yet NSW air pollution standards lag behind the US, EU and China.

- **NSW should set air-quality standards in line with world's best practice** and improve air quality monitoring.
- **Update pollution licences** for NSW coal-fired power stations in line with stricter standards.
- Make polluters pay for their air pollution by increasing licence fees for harmful pollutants.

### 6. Emissions reduction targets

NSW must **legislate for net-zero emissions by 2040** so all government decisions consider the impact of policies on reaching this goal. This legislation must include clear milestones, including five-yearly targets.

These policies should be additional to the policies and programs already operational or announced by the NSW Government, for example the:

- Transmission Infrastructure Strategy
- Regional Community Energy Program
- Emerging Energy Program
- Low-income Solar Program