

Subject: LMM 24/11/2020 - HUNTER RENEWABLE ENERGY ZONE

MOTION

That City of Newcastle:

- 1 Congratulates Minister for Energy and Environment, the Hon. Matt Kean MP, for steering the NSW Government's commitment to establish the Renewable Energy Zone network, including the recent inclusion of the Hunter as the State's newest Renewable Energy Zone;
- 2 Congratulates Deputy Leader of the Opposition, Yasmin Catley MP, Parliamentary Secretary for Agriculture, Michael Johnsen MP, and Member for Lake Macquarie, Greg Piper MP, for ensuring the Hunter's inclusion as the newest Renewable Energy Zone following successful amendments to the *Electricity Infrastructure Bill 2020*;
- 3 Notes that because of amendments, the *Electricity Infrastructure Bill 2020* now includes a NSW renewable energy sector board, including representation from the Australian Workers' Union; the Electrical Trades Union, the CFMMEU Mining and Energy Division and the Australian Manufacturing Workers' Union; as well as the appointment of an electricity infrastructure jobs advocate and a new Manufacturing Renewables Taskforce aimed at finding ways to drive the use of NSW materials in building the State's Renewable Energy Zones;
- 4 Notes that amendments accepted by the NSW Government and Minister for Energy and Environment, and now in the Bill, include:
 - \$50 million committed to develop the green hydro sector in NSW;
 - Local procurement provisions within the Hunter Renewable Energy Zone;
 - Local infrastructure project recommendations to be accepted after consultation with the Australian Energy Market Operator (AEMO);
 - Promotion of local industry, manufacturing and jobs;
 - Investment in education and training,
 - Employment creation for Aboriginal and Torres Strait Islander people in the NSW energy sector and
 - Support for economic development opportunities for NSW based manufacturing.
- 5 Writes to the Minister for Environment and Energy, the Hon. Matt Kean MP, congratulating the NSW Government on their progressive approach to energy policy and pledging City of Newcastle's support for the Hunter Renewable Energy Zone;
- 6 Writes to the Leader of the Opposition, Jodi McKay MP, Deputy Leader of the Opposition, Yasmin Catley MP, Parliamentary Secretary for Agriculture, Michael Johnsen MP and Member for Lake Macquarie, Greg Piper MP, congratulating them for their strong advocacy for the establishment of the Hunter Renewable Energy Zone, including strong local procurement and local job creation and protections associated with this important project.

BACKGROUND:

Energy superpower plan to turbocharge renewable energy zones and pumped hydro

9 November 2020

More than 9000 jobs and \$32 billion of private investment is expected to roll into the regions by 2030, under the NSW Government's Electricity Infrastructure Roadmap, released today.

Power poles along Erskine Park Link Road, Sydney.

The Roadmap lays out the Government's 20-year plan to deliver Renewable Energy Zones, energy storage such as pumped hydro, and on demand supply like gas and batteries, needed to reduce emissions and provide cheap, reliable electricity across the State.

Deputy Premier John Barilaro said the Roadmap will deliver Australia's first Renewable Energy Zones in the Central West and New England regions by 2030.

"The stimulus the Renewable Energy Zones will provide to regional communities will unlock over 9000 new jobs and will be a huge boost to farmers and landowners, with \$1.5 billion in lease payments expected to go to landholders hosting new infrastructure by 2042," Mr Barilaro said.

"The Roadmap will make sure that renewables are developed where regional communities want them and where they are compatible with farming."

Treasurer Dominic Perrottet said the Roadmap will grow the economy, create jobs and deliver an expected \$32 billion of private sector investment in electricity infrastructure by 2030, part of the NSW Government's COVID-19 Recovery Plan.

"Coming out of this crisis, not only are we stimulating the economy to create jobs now, we are looking towards the reforms NSW needs to secure our future," Mr Perrottet said.

"This is a big productivity reform, with the Roadmap projected to deliver NSW some of the cheapest energy prices in the OECD and shore up our energy security."

Energy Minister Matt Kean said the Roadmap will support the private sector to bring 12 gigawatts of renewable energy and 2 gigawatts of storage, such as pumped hydro, online by 2030.

"Our priority is to keep the lights on and get power prices down, with the Roadmap forecast to save NSW households an average of \$130 and small businesses an average of \$430 on their electricity bills each year," Mr Kean said.

"NSW has some of the best natural resources in the world and this Roadmap is about acting now to leverage our competitive advantage and to position NSW as an energy superpower."

Water Minister Melinda Pavey said the Roadmap includes \$50 million in grants to support the delivery of pumped hydro projects.

"Pumped hydro is a proven form of large-scale storage and NSW has some fantastic pumped hydro opportunities," Ms Pavey said.

"This plan delivers the long-term certainty needed for the private sector to invest now and drive jobs and investment in the regions."

Member for Dubbo Dugald Saunders said the Roadmap cements the region as the renewable hub of the future.

“Our community is thrilled to have the State’s first Renewable Energy Zone right here in the Central West unlocking opportunities for jobs and investment that will be the foundation for our future prosperity,” Mr Saunders said.

The Roadmap sets out a plan to modernise the State’s electricity infrastructure by:

- cutting red-tape and speeding up approvals for transmission infrastructure in Renewable Energy Zones, while protecting the interests of consumers
- Creating a long term investment signal for new generation in Renewable Energy Zones, long duration storage such as pumped hydro, and on demand supply, like gas and batteries
- making sure that renewable projects proceed where local communities want them and in ways that are consistent with farming.

Manufacturing renewables taskforce to boost regional jobs and local industry

Local manufacturing will boom, with a new Manufacturing Renewables Taskforce to find ways to drive the use of NSW materials in building the State’s Renewable Energy Zones, announced today.

Deputy Premier John Barilaro said we need to support our NSW manufacturers by putting the policies in place that create local jobs and support local industry.

“We currently import the more than 86,500 tonnes of steel that form the foundations for critical energy infrastructure – including some finished manufactured goods,” Mr Barilaro said.

“As we come out of this recession, we need to lead by example by backing our local supply chains, local manufacturers and local jobs.

“This *Taskforce* will make sure we have the knowledge we need to do just that, and unlock regional NSW’s renewable energy manufacturing potential.”

Energy Minister Matt Kean said the Taskforce will look at everything from material sourcing and supply to contracting arrangements, and explore ways to give NSW manufacturers a competitive advantage in emerging ‘green’ supply industries.

“Industry tells us we will need more than 650,000 tonnes of steel to deliver our three Renewable Energy Zones – my priority is finding ways to make sure that the steel and other products that power NSW, are made in NSW by NSW manufacturers,” Mr Kean said.

“The Taskforce will look at terms we can put in our electricity infrastructure contracts and tender rules which will drive the use of NSW products, where they are cost competitive.”

The Manufacturing Renewables Taskforce will include representatives from the steel, aluminium, cement, concrete and manufacturing industries, the workers unions, renewable development stakeholder groups and the NSW Government.

A Jobs in Renewable Energy Zones Taskforce will also be established to ensure jobs created in local communities hosting the new infrastructure, go to local people.



**YASMIN CATLEY MP
DEPUTY LEADER NSW LABOR**

**ADAM SEARLE MLC
SHADOW MINISTER FOR CLIMATE CHANGE & ENERGY**

**PAUL SCULLY MP
SHADOW MINISTER FOR NATURAL RESOURCES**

LABOR AMENDMENTS PASS PARLIAMENT – ENERGY JOBS AND EXPORT OPPORTUNITIES GUARANTEED BY LAW

NSW Labor’s amendments to the Government energy sector reforms will guarantee local jobs, industry development and export opportunities flow to workers and businesses in New South Wales.

The Government’s energy sector reforms have been bolstered with a series of amendments by Labor to mandate local content requirements, compel local procurement and the expansion of education and training opportunities for apprentices and trainees.

Labor’s Deputy Leader Yasmin Catley was quick to point out that the Government’s original Bill failed to guarantee a single local job with the renewable energy infrastructure touted by the NSW Government.

“Labor believes strongly that with any boom in renewables there must be a boom in jobs. We can’t import all the materials and components for the renewable energy boom and cut local workers and industry out.”

The Shadow Minister for Climate Change and Energy, Adam Searle said: “We must build, design and engineer these projects here. We need to employ local people and ensure the highest possible quality in the construction of world-class energy infrastructure.”

Labor’s Shadow Minister for Natural Resources, Paul Scully MP, reiterated the importance of engaging with local suppliers and using local materials in any energy infrastructure boom.

“The Government’s proposals did not contain its much talked about steel mandate but with Labor’s amendments means more Port Kembla steel is used in new renewable energy projects that will power the economy of the future,” Mr Scully said.

Labor has also delivered two new Renewable Energy Zones over and above the zones which had already been announced by Liberal Government.

A new Renewable Energy Zone in both the Hunter-Central Coast region and The Illawarra will ensure existing electricity infrastructure and manufacturing industries are able to adapt and expand to meet the needs of the renewable energy sector.

TUESDAY, 17 NOVEMBER 2020

What is a Renewable Energy Zone?

A Renewable Energy Zone (REZ) involves the coordinated development of new grid infrastructure in energy rich areas, efficiently connecting multiple generators in the same location. REZs are the modern-day equivalent of a power station, combining generation, transmission, storage and system strength services to ensure a secure, affordable and reliable energy system.

The NSW Government is setting up a new Government-controlled statutory authority to lead the delivery of NSW REZs.

The Energy Corporation of NSW will coordinate the development of transmission and generation in the REZ, working closely with Government, energy market bodies and industry. It will work directly with communities to maximise the flow of benefits to host regions and realise opportunities for regional development.

The Corporation will have a number of key functions, including:

- Leading community and stakeholder engagement
- Contributing to strategic planning for each REZ, including an optimal land use strategy
- Designing and implementing a commercial framework to support investment
- Administering an access framework for the REZ that delivers benefit to generators
- Administering a competitive process to coordinate generation in the REZ
- Coordinating technical design of the REZ in consultation with program partners and generators
- Promoting local development opportunities, engaging with local community and industry.

The REZ will play a vital role in delivering affordable energy to help replace the State's existing power stations as they retire over the coming decades. The zones are expected to deliver multiple benefits for NSW, including:

- improving electricity reliability by delivering significant amounts of new energy supply
- increasing affordability by reducing wholesale electricity costs
- supporting emissions reduction by delivering reductions in the electricity sector
- engaging communities by helping them to actively participate in the development of energy infrastructure in their region.

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