

The Hon Lily D'Ambrosio MP Minister for Energy and Resources Minister for Climate Action



Public Accounts and Estimates Committee
2024-25 Budget Estimates Hearing
23 May 2024



Energy,
Environment
and Climate Action

Our energy transition is underway – and necessary

- Our coal-fired generators are aging, unreliable and scheduled to leave the market.
- Renewable energy generation and storage projects are the cheapest form of new build electricity – so a transition to renewables will keep the lights on and support affordable prices.
- Our historically cheap and plentiful gas supplies are in steep decline.
- We need to transition Victorian households to cheaper electrical appliances, delivering cost of living relief and preserving remaining gas for where it is needed – in industry, manufacturing and peaking power generation
- We need to unlock more supply of essential construction materials and realise Victoria's critical minerals opportunities to build new renewable energy supply chains.

Our Government's renewable energy investments thus far have meant that Victoria's wholesale power price is the lowest in the National Energy Market.



Our pathway to deliver the future energy system

Build new onshore renewable energy and storage

Diversify our energy mix with offshore wind

Coordinating transmission planning with community

Improving the accessibility and integration of Distributed Energy Resources & EVs

Decarbonising homes and businesses

Managing the orderly transition from fossil fuel-based electricity

Gas Substitution Roadmap and maintaining supply security

Ensure all communities benefit & have agency in a just energy transition

Strengthening local supply chains, renewable industrial precincts and workforce

Since 2014 our Government has...

- Installed over 4.2 GW of large-scale renewable energy and billions of dollars renewable energy investment
- Legislated and delivered our renewable energy target of 25% by 2020. In 2023, Victoria generated 21,000MWh of renewable energy (38.6% of our generation)
- Legislated further renewable energy targets of 40% by 2025, 65% by 2030, 95% by 2035.
- Legislated offshore wind energy generation targets of at least 2 GW of offshore generation capacity by 2032, 4GW by 2035, 9 GW by 2040
- Got our gas sector transition underway through reform and targeted programs set out in our Gas Substitution Roadmap
- Supported over 315,000 households to install solar panels, hot water and battery systems through our \$1.3 billion Solar Homes Program
- Upgraded nearly 2.3 millions households and 170,000 businesses, through the Victorian Energy Upgrades program, saving them more than \$2 billion in energy costs
- Brought back the SEC, with an initial \$1 billion investment to accelerate the renewable energy transition.

The 2024-25 State Budget provides almost \$184 million in funding for the Energy and Resources portfolio including:

\$22.2 million in State funding commitments to national energy market bodies

\$18.3 million for planning for the offshore wind program

\$12.5 million for establishing VicGrid as Victoria's transmission planner

\$12.1 million for energy affordability and protecting consumers

\$10.1 million for accelerating energy project delivery and mitigating biodiversity impacts

\$5.9 million for reforming the Victorian Energy Upgrades program

\$0.5 million for improving household and community resilience

\$44.8 million to support the Resources sector to achieve Net Zero and the Big Build

\$3.4 million for minimising risks from rehabilitation of former mines

\$37.7 million for the Solar Homes hot water program

\$6.1 million for the Solar Homes battery loans program

\$10.3 million for relief and immediate recovery initiatives from bushfire and storms

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