

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



Public Accounts and Estimates Committee
2023-24 Budget Estimates Hearing
8 June 2023



Energy,
Environment
and Climate Action

The 2023-24 State Budget provides almost \$1.6 billion in new funding for Energy and Resources initiatives.

\$44.5 million to re-establish the State Electricity Commission and **\$1 billion** to fund investments in new energy build projects*

\$400 million for another round of the Power Saving Bonus

\$42.2 million for 100 Neighbourhood batteries

\$16.5 million to support the resources sector to achieve Net Zero and the Big Build

\$16.0 million for new training centres to strengthen our energy workforce

\$16.0 million for zero interest loans for Solar Homes batteries

\$15.4 million to deliver a safe and just community transition to renewable energy

\$15.0 million for VicGrid functions and delivering the Victorian Transmission Investment Plan

\$6.7 million to enable a streamlined approach to resources decision making

\$5.6 million for planning reform and facilitation to support energy projects

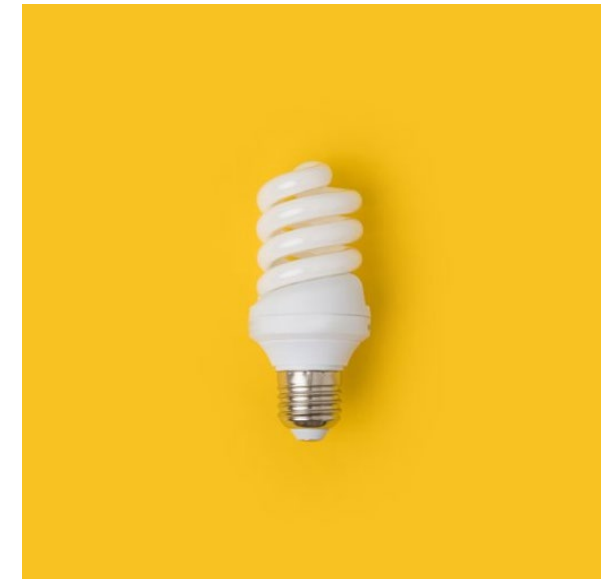
\$5.1 million to drive down gas bills for businesses and households

\$0.1 million to deliver local renewable energy solutions in Healesville and Benambra

* This funding is allocated to the related State Electricity Commission portfolio

\$400 million for Round 4 of the \$250 Power Saving Bonus (LFS election commitment)

- Provides energy affordability assistance for Victorian households, and improves their capacity to engage with the energy market.
- Round 4 commenced on 24 March 2023 and is currently scheduled to run until 31 August 2023.
- As at mid-May, 1.2 million households had received their \$250 payment, totalling more than \$300 million in payments to Victorian households:
 - This includes over 24,000 households who received over-the-phone or in-person support through the Community Outreach Program.
- Two rounds of the \$250 Power Saving Bonus ran during the 2022-23 financial year, during which over 1.83 million households received a \$250 Bonus (\$457.5 million in payments delivered):
 - That included over 51,000 households who received support through the Community Outreach Program.



\$16 million for training centres to address energy workforce shortages and skill gaps, to deliver our energy transition

- **\$16 million** for the establishment of renewable energy worker training centres (LFS election commitments):
 - Hydrogen Worker Training Centre, in collaboration with accredited training organisations, to upskill workers to support a renewable hydrogen economy
 - Wind Worker Training Centre for the emerging offshore and onshore wind industry.
- Develop a **Victorian Energy Jobs Plan** in consultation with the renewable energy sector, to be released mid-2024.



Delivering major energy infrastructure, while ensuring a safe and just transition

\$15 million for VicGrid functions and delivering the Victorian Transmission Investment

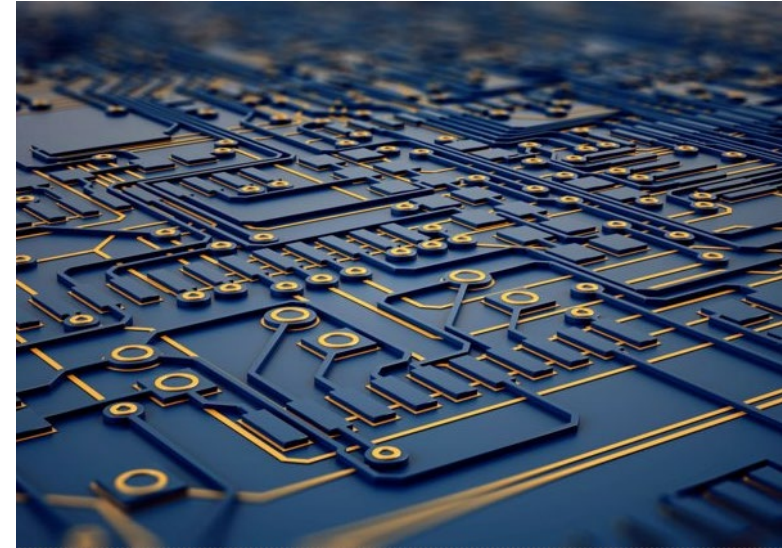
- Funding is provided to VicGrid to coordinate transmission planning and investment in Victoria via a fit-for-purpose framework that incorporates community and stakeholder engagement.

\$5.6 million for planning reform to enhance the renewable energy approvals framework in partnership with the Minister for Planning

- Funding will help make planning permit approvals smoother and faster, to progress the growing pipeline of energy transmission, renewable energy generation and storage projects.

\$15.4 million to deliver a safe and just community transition to renewable energy by ensuring:

- The safety of our community and our workers as we transition to a renewable energy future.
- Reviewing the regulatory and non-regulatory safety and associated legislative frameworks to ensure they are keeping pace with our rapidly evolving energy sector.
- Continued specialist advice to help shape the national energy reform agenda in line with Victoria's energy interests.



\$42.2 million to deliver a better energy network for consumers and drive down bills with 100 neighbourhood batteries (LFS election commitment)

- Will support energy equity by providing 25,000 homes to access local renewable energy, tripling the number of homes that have access to a neighbourhood battery, which enhancing energy grid stability.
- This program will drive down energy bills and pave the way for Victoria to reach its nation-leading renewable energy storage targets of 2.6 gigawatts (GW) by 2030 and 6.3 GW by 2035.
- Batteries to be installed in 29 communities across Victoria initially – 15 in metropolitan Melbourne and 14 in regional Victoria. The remaining battery locations will be decided in consultation with community organisations, local councils and other electricity market participants.



\$16.0 million for zero interest loans for Solar Homes batteries

- Funding is provided for Solar Victoria to provide interest-free loans to eligible households to install solar battery storage systems in their homes.

Driving down gas bills for businesses and households

- **\$5.1 million** to implement and update the Gas Substitution Roadmap, which will drive down fossil gas use, address gas reliability and help deliver lower bills for businesses and households by encouraging electrification.

Doing what matters for local communities – renewable energy

(LFS election commitment)

- **\$0.1 million** is provided to provide grants to Healesville Community Owned Renewable Energy and to boost renewables in Benambra. This will support the community with access to renewable and local energy alternatives (LFS election commitment).



\$16.5 million for the Reform to Perform initiative to support the resources sector to achieve Net Zero and the Big Build.

- This funding will maintain capability in earth resources to deliver improved efficiency and reliability of licensing approval functions, regulate potential harms in earth resource operations, and support industry investment through targeted programs.

\$6.7 million to enable a streamlined approach to resources decision making.

- This will enable an outcomes and risk-based regulatory framework for the minerals and extractives industry, supporting amendments to the *Mineral Resources Sustainable Development Act* reforms.
- Funding is also provided for the Earth Resources Approvals Coordinator to accelerate and streamline decisions for earth resources developments.



In 2023-24, the department will:

- Further the re-establishment of the **State Electricity Commission**.
- Continue to provide Victorian households with cost-of-living relief through the **\$250 Power Saving Bonus Program**.
- Begin the delivery of **100 neighbourhood batteries**.
- Oversee the implementation of a **new battery storage system in the Latrobe Valley** with the Yallourn New Capacity project.
- **Develop Victoria's offshore wind industry**.
- **Support Renewable Energy Zone projects**, which will strengthen the Victorian transmission system, particularly in North-west and Western Victoria.
- Prepare to **legislate new targets for renewable energy, energy storage and offshore wind**.
- **Support energy transition projects** in local communities, such as Healesville Community Renewable Energy, Renewable Boost for Benambra, and Newstead Renewable.
- Prepare to deliver a **Hydrogen Worker Training Centre** and **Wind Worker Training Centre** to upskill Victoria's energy workforce and support renewable energy supply chains.
- Undertake a **review into regulatory licensing requirements for renewable energy**, to support safety during the energy transition.
- Continue to **provide households and businesses access to discounted energy efficient products and services** through the Victorian Energy Upgrades program, saving consumers money on bills and reducing emissions.
- Continue to **deliver the Solar Homes program**, which is supporting households to install solar panels, energy efficient hot water and battery systems at home, also reducing energy bills and emissions.
- Continue to implement the **Developing Victoria's critical minerals** initiative to improve investor confidence, foster diversification and economic growth, and lay the foundations for an industry that will grow in importance in a decarbonised economy.
- Progress the **Latrobe Valley Regional Rehabilitation Strategy** and long-term planning to enable safe, stable, and sustainable mine rehabilitation outcomes for the region.

Since 2014 our Government has:

- Installed over **4,072 megawatts of large-scale renewable energy and billions of dollars renewable energy investment**
- Legislated and delivered our **renewable energy targets of 25% by 2020**. In 2022, Victoria generated 54,196 GWh of renewable energy (36% of our generation)
- Our landmark **\$1.3 billion Solar Homes** program which has supported 250,000 households to install solar panels, hot water and battery systems
- Delivered four rounds of the **\$250 Power Saving Bonus Program**
- **Launched the Victorian Energy Compare website** (2015) providing trusted information to help consumers compare and find the best energy offer
- Upgraded 2.17 million households and 163,000 businesses, through the Victorian Energy Upgrades program, saving them more than \$3 billion in energy costs
- Helped more than 110 businesses cut energy costs and emissions through the **Business Recovery Energy Efficiency Fund**
- Introduced minimum rental standards and 7 Star energy standards for new homes
- Introduced the Victorian Default Offer (2019) for energy and the nation-leading Payment Difficulty Framework (2019), ran an Energy Assistance Program (2020), fully implemented Energy Fairness Plan reforms (2022), and began implementing recommendations of the Embedded Networks Review (2023) to **help protect vulnerable energy consumers**
- Supported Traditional Owner groups' self-determination and economic independence through **Traditional Owner Renewable Energy Program**
- Significantly reduced Victoria's bushfire risks, installing 44 REFCLs and protecting 30,000 kilometres of high voltage lines from bushfire risk, through the **Powerline Bushfire Safety Program**
- Provided a plan for the transition of the gas sector to net-zero, through the 2022 **Gas Substitution Roadmap**
- Enshrined, in the State's Constitution, a permanent ban on fracking in Victoria, passing the **Constitution Amendment (Fracking Ban) Bill 2020** (March 2021)
- Announced successful tenderers for the **North Central Victorian Goldfields Ground Release**, who will spend more than \$100 million in new exploration investment

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