



**The Hon Lily D’Ambrosio MP**  
**Minister for the State Electricity Commission**

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



# Bringing back the State Electricity Commission

- Urgent action is needed to reduce emissions and manage climate change.
- Government has bold ambitions for the energy transition. It has committed to a target of 95 per cent renewable energy generation by 2035 and net zero emissions by 2045.
- Modelling shows 25GW of new capacity is needed by 2035 to reach a 95 per cent renewable energy. This presents significant opportunities for SEC and industry investment in large and small scale projects.
- That's why we are bringing back the SEC to accelerate the energy transition, push more renewable energy into the system, drive down emissions and power bills and create thousands of jobs.

The SEC will do this by:

- ✓ Being an active energy market participant, working with industry to invest in and speed up the delivery of renewable energy.
- ✓ Pushing more renewable energy into the system with the aim of reducing wholesale prices.
- ✓ Working with industry to create thousands of jobs in renewable energy – in solar, wind, storage and emerging energy solutions.
- ✓ Investing in training, skills, and generating the renewable energy workforce of the future.

# The SEC will contribute to government's broader energy work program

The introduction of the SEC will contribute to the Victorian Government's energy transition, being delivered with partners including Offshore Wind Energy Victoria, Solar Victoria, and VicGrid.

## Renewable targets

Set a higher 2030 VRET Target of 65 per cent and a new 2035 VRET Target of 95 per cent & deliver VRET2



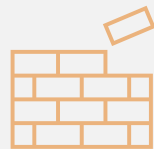
## Storage targets

Set Storage Targets of at least 2.6 GW by 2030 and 6.3 GW by 2035 to fast-track the deployment of batteries and long duration storage



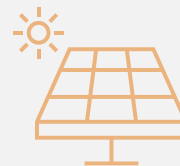
## Establish SEC

Accelerate our transition to an affordable and reliable zero-emissions energy system, and help meet State-wide renewable energy and storage targets



## Solar Vic

Deliver cuts in household bills by helping people install solar PV, support the switch to all-electric homes and encouraging the installation of home batteries



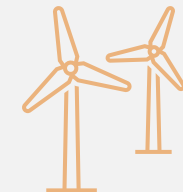
## Transmission planning

Develop Victoria's Renewable Energy Zones, KerangLink, MarinusLink and Western Victoria Transmission Network Project



## Offshore wind

Procure Australia's first offshore wind farm to meet the 2 GW by 2032 target



The scale of the transformation to achieve 95 per cent renewable energy generation by 2035 is immense. Modelling suggests up to \$8.7 billion in new onshore wind and \$2 billion in large scale batteries will be needed in Victoria, alongside other investments.

### Powering forward, we have now:

- ✓ Announced the SEC will **invest an initial \$1 billion** towards delivering 4.5GW of power through renewable energy and storage projects – the equivalent replacement capacity of coal-fired power station Loy Yang A, which is set to close in 2035.
- ✓ Appointed interim **CEO** for the SEC, Chris Miller
- ✓ Declared the SEC as a **reorganising body** under the State Owned Enterprises Act.
- ✓ Established highly credentialled SEC **Expert Advisory Panel**, with work well underway.
- ✓ Released the **SEC Pioneer Investment Mandate** and started the market search for our first investment/s in renewable energy generation and storage in Victoria.
- ✓ Engaged with **Traditional Owners and stakeholders across the sector**, including representatives from industry, educational providers
- ✓ Invited industry, education and training leaders and experts to our **Energy Jobs and Skills Forum** to be held later this month, which will help plan how to attract, train and retain a new generation of renewable energy workers.

**The 2023-24 State Budget delivers an initial \$1 billion equity investment to deliver 4.5 gigawatts of power through renewable energy and storage projects**

This is the equivalent replacement capacity of coal-fired power station Loy Yang A, which is set to close in 2035.

In addition, \$44.5 million has been allocated to re-establish the SEC.

\$12 million has also been allocated for the business case for the SEC Centre of Training Excellence, new VET certificates in renewable energy and the Victorian Energy Jobs Plan.

- **\$1 billion** – initial investment
- **\$44.5 million** – bring back the SEC
- **\$12 million** – SEC Centre of Training Excellence, new VET certificates and Victorian Energy Jobs Plan

Transitioning Victoria's energy system will deliver an estimated:

- **\$9.5 billion** – increase in Gross State Product
- **59,000 jobs**, including ...
- **6,000 trainees and apprenticeships** in solar, wind and emerging energy industries.

## The SEC will support renewable energy training and workforce priorities

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Establish an SEC Centre of Training Excellence



Local content requirements on projects



SEC Energy Jobs and Skills Forum



Engaging the next generation

## This will complement other significant investments in renewable energy jobs

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Strategic planning



Investments in new training facilities



New course and training program development



Broader education investments