

Date: 2<sup>nd</sup> May 2024

Subject: **SEN submission relating to Capacity Investment Scheme - Western Australia Design Paper**

To: < via portal <https://consult.dcceew.gov.au/capacity-investment-scheme-western-australia-design-paper/new-survey> - Your submission reference number: **sbm2dcd36f1652e352cc15f9** >

Sustainable Energy Now (SEN) endorses the Design Paper.

In particular, SEN supports:

- CIS is an excellent scheme similar to contract for difference arrangements used elsewhere around the world that provide long-term price guarantees that help de-risk investment by the private sector, and safeguards societal investment of public funds into critical infrastructure that will enable the clean energy transition;
- Integrating the timing of the CIS and RCM to minimise development time;
- Merit criteria such that proponents and projects will be assessed on their approach and quality of engagement with Australian supply chains, local communities and First Nations people; and
- The voluntary renewable energy developer community engagement ratings scheme.

SEN recognises that whilst the CIS will assist in de-risking investment and building a pipeline of worthy renewable energy projects, the CIS will not, of itself, address the core issues in the WA transition, namely:

1. Lack of a WA **multi-agency clean energy transition authority** with the necessary legislated directive powers to plan, coordinate and facilitate the energy transition at a state level. A transition authority would inject a sense of urgency and encourage appropriate levels of state investment in critical infrastructure, in renewable energy zones and grid transmission more broadly.
2. **State investment in infrastructure** framed by the transition authority in the context of a 'whole of state development', with new industries bringing long term social value. Agency core functions would be additional to PoweringWA, JTSI Diversify Task Force and the JTSI Green Energy Project Group and include:
  - a) an on-going planning role to address the scale of the change, engender urgency, ability to adapt to change, and managing roadblocks and barriers;
  - b) land access, social value, stakeholder engagement;
  - c) consents and approvals coordination;
  - d) support services and skills;
  - e) public and private investment facilitation;
  - f) manage coordination risk across the agencies
  - h).
3. Scope (and publish that scope) and fund **common user critical infrastructure** for the clean energy transition through these mechanisms:
  - a) Green bonds or similar funding models;

- b) User pays over asset lifetime;
  - c) Residential and small business customers not burdened with the costs associated with a larger regulated asset base;
4. Establish **WA Renewable Energy Hubs** utilising best practice:
- a) Provision of transmission and other critical infrastructure (roads, ports, services etc);
  - b) Secure access rights to new transmission;
  - c) Land-use planning and coordinated community consultation;
  - d) Revenue certainty for private investment in new renewable energy generation;
  - e) Renewable energy common front-end studies such as wind monitoring.
5. **Fast-tracking network connections** – Government needs to support Western Power’s efforts to accelerate its plans to enable the timely connection of critical projects. The current Expression of Interest process launched in October 2023 has been repeatedly delayed with network access requests being suspended pending the conclusion of the EOI process. The state government needs to ensure that the Western Power major customer critical project status and application process is transparent and fair, reflective of best practice (e.g., land access secured before connection application submitted, bid bond or equivalent) and aligned to the wholesale market objectives, state electricity objectives, reliability, affordability, safe and secure, emissions etc.

SEN looks forward to providing civil society and community input into the WA clean energy transition.

Yours sincerely

**Fraser Maywood**

Chair, Sustainable Energy Now Inc

**Position endorsed by the SEN Committee on 2<sup>nd</sup> May 2024 via circular resolution**