Submission No 58

INQUIRY INTO IMPACT OF RENEWABLE ENERGY ZONES (REZ) ON RURAL AND REGIONAL COMMUNITIES AND INDUSTRIES IN NEW SOUTH WALES

Organisation: Friends of the Earth Australia

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Friends of the Earth

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Friends of the Earth Australia Submission

Inquiry into the impact of Renewable Energy Zones (REZ) on rural and regional communities and industries in New South Wales

Submitted: 31 January, 2025

About Us: Friends of the Earth Australia is a national environmental justice organisation consisting of seven local member groups and thirteen affiliate members, with over 65,000 supporters throughout the country. We are a member of Friends of the Earth International, the world's largest network of grassroots environmental organisations, uniting 77 national member groups and some 5,000 local organising groups on every continent. We are committed to the creation of an environmentally sustainable and socially equitable future, and campaign for a world where environmental protection, social justice and economic welfare for all people, go hand in hand.

Acknowledgement
Friends of the Earth Australia meet and work on stolen lands of Aboriginal & Torres Strait Islander people and respect that sovereignty of those lands was never ceded. We pay respect to Elders, past and present, and acknowledge the pivotal role that Aboriginal & Torres Strait Islander people continue to play within the Australian community.

Submission

Friends of the Earth Australia is pleased to make a submission to the Legislative Council inquiry into the impact of Renewable Energy Zones (REZ) on rural and regional communities and industries in New South Wales.

Friends of the Earth has a long history of working alongside communities to advocate for an energy transition that puts communities at its centre. We support an energy transition that advances principles of energy justice for rural and regional communities, facilitates community co-ownership, and reduces the impact of our energy system on the environment and climate.

The majority of Australians, including those in rural and regional areas, support the transition to renewable energy, including renewable energy projects in their areas. For example, a survey conducted by Farmers for Climate Action found that seventy per cent of regional Australians in renewable energy zones support the development of renewable energy projects on local farmland[1].

[1] "'Silent majority' of Australian farmers found to support renewable energy transition', Call Wahlquist, Guardian Australia, 26 Nov 2024

And recently, leaked polling commissioned by The Clean Energy Council and reported in The Australian has found regional voters support renewable energy rather than nuclear reactors due to concerns about environmental impacts of nuclear and the promise of economic opportunities from large-scale wind and solar projects.[2]

However, the increasing prevalence of misinformation, combined with dissatisfaction with options for community collaboration and co-design on renewable energy projects, presents a challenge to the timely rollout of renewable energy.

It is essential that we stay on track to deliver the energy transition in a sustainable way that delivers tangible benefits for communities. Implementing a network of Local Energy Hubs in key regional areas would help to address information gaps, and support communities to reap the benefits of the renewable energy transition.

The establishment of Renewable Energy Zones (REZ) in NSW will see NSW build the scale of renewable energy needed into the future, while also reaching our emissions reductions targets - the single most impactful thing we can do to slow climate change, reduce the incidence of climate related disasters, protect nature, and ensure a safe future for all NSW communities.

The energy transformation already underway is a once-in-a-lifetime opportunity to build a new energy system that ensures reliable, low-cost, and low-emissions energy in NSW. If we do this well, by centering rural and regional communities throughout the process, the REZ system can help to revitalise employment and local economies in our regions for decades to come.

Socioeconomic benefits and opportunities within renewable energy zones

In NSW, large-scale wind and solar projects are expected to deliver $715 million in contributions to communities and councils, representing a unique opportunity for economic investment in NSW's regions and to support community aspirations.

Many communities around NSW are already seeing the benefits from local renewable energy projects. For example, Hay Shire has negotiated significant benefits for the community from large-scale wind and solar development,[3] including energy rebates of $1000 per year and subsidised solar and battery storage for households. Targeted community benefits schemes such as this hold the potential to deliver long-term opportunities, such as improved regional energy affordability and co ownership options.

<https://www.theguardian.com/australia-news/2024/nov/26/australian-farmers-support-renewable-energy-transition>

[2] 'Leaked polling shows regional support for renewables, nuclear concerns', Colin Packham, The Australian, 13 Jan 2025 <https://www.theaustralian.com.au/business/mining-energy/leaked-polling-shows-regional-support-for-renewables/news-story/aeba90ecc98aaa1f39698cfdaa237459>

[3] 'Renewable wind and solar farms on the Hay Plain in NSW to boost economy, build sustainable farms', Emily Doak, ABC News, 22 Sep 2024 <https://www.abc.net.au/news/2024-09-22/renewables-nsw-town-embraces-wind-solar-to-boost-economy-farms/104355706>

To ensure that such community benefits meet the needs and expectations of the community, meaningful consultation must be conducted from the time a region is first considered to host renewable energy, and the community provided with sufficient time and access to information to adequately inform these considerations. It is essential that communities are supported in their consultations with proponents and that there are opportunities to engage in co-design of large-scale projects. We recommend that a network of independent Local Energy Hubs[4] would fulfil this function by sharing trusted information, helping people to understand proposed large-scale projects in their areas and facilitating good outcomes for local communities and regions more broadly.

We recommend that the NSW government implement requirements within the licensing process that community benefits be developed in collaboration with the community, for example by engaging a Community Advisory Group. The government should also develop guidelines for how consultation and codesign should be conducted, including with Traditional Owner groups. For REZ - as well as for offshore wind projects - a regional benefit sharing approach could be especially appropriate, given the scale and distribution of infrastructure, and siting large distances from communities.

The renewable energy industry is already employing around 30,000 people across large-scale renewable energy construction, operation and maintenance,[5] with most of those located in regional areas. Currently, the majority of jobs are in construction, with the renewable energy transition expected to create an additional 450,000 construction jobs by 2030.[6] This represents one third of all jobs growth in Australia, with many of these jobs expected to be in NSW. It is also expected that renewable energy development will deliver significant ongoing employment opportunities in regions, with estimates that jobs in the operation and maintenance of renewable energy infrastructure could account for up to 50 per cent of jobs in the sector by 2030.[7]

In coal-power generating regions, job losses as coal-fired power plants age out will need to be replaced by good jobs in renewable energy to ensure a just transition for workers, their families, and to protect local economies. This presents an opportunity for the government to invest in training initiatives within REZ, as it has recently done with the announcement of the TAFE Centres of Excellence in the Hunter and Illawarra. Training opportunities such as these will support local workers to develop the skills for new industries and take up good jobs in their regions, while also ensuring a skilled local workforce for future energy projects.

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[4] RE-Alliance, 'Local Energy Hubs Policy Summary' briefing note, 2024 <https://www.localenergyhubs.org.au/briefing-note>

[5] Clean Energy Council, 'Skilling the Energy Transition Report', 2022 <https://stg-live.cleanenergycouncil.org.au/cec/media/background/resources/skilling-the-energy-transition-report-2022.pdf>

[6] Jobs and Skills Australia, 'The Clean Energy Generation: Workforce needs for a net zero economy', Oct 2023 <https://www.jobsandskills.gov.au/sites/default/files/2023-10/The%20Clean%20Energy%20Generation_0.pdf>

[7] Clean Energy Council, 'Clean Energy at Work', 2020 <https://assets.cleanenergycouncil.org.au/documents/resources/reports/Clean-Energy-at-Work/Clean-Energy-at-Work-The-Clean-Energy-Council.pdf>

One example of how large-scale renewable energy projects can deliver direct positive employment outcomes for communities is the Avonlie Solar Farm in Narrandera,[8] the workforce of which comprised a significant number of First Nations and long-term unemployed workers. As part of the project, the developer delivered targeted training opportunities which assisted workers to continue into other employment, helping to address barriers to employment within the community.

Cultural opportunities within renewable energy zones

Genuine, early and ongoing consultation and co-design with First Nations communities and Traditional Owner groups should remain a priority throughout the lifespan of any energy project, recognising these communities' historical and ongoing care for Country and incorporating their unique knowledge of land care and cultural heritage into project design.

To ensure that the renewable energy transition achieves positive outcomes for First Nations communities the NSW government should implement the First Nations Clean Energy Strategy[9] in NSW, including powering First Nations communities with clean energy, enabling equitable partnerships, and achieving economic benefits with First Nations peoples.

Agricultural opportunities within renewable energy zones

Colocating wind and solar projects on agricultural land is increasingly common, demonstrating that renewables can co-exist productively with agriculture, and there is growing evidence that diversifying land use can increase agricultural productivity. For example, dual land use of solar and sheep farming has been shown to encourage healthier pasture growth, improve drought resilience, and increase wool production.[10]

Analysis by Farmers for Climate Action and the Clean Energy Council anticipates that renewable energy projects will deliver between $2.7 and $3.4 billion in landholder payments by 2050.[11] For landholders or farmers who host renewable energy projects, this additional income stream can ensure that farms are protected from economic losses during times of drought or flood and provides long-term security and reinvestment opportunities for farmers, helping farming families to stay on their land and benefit from improved farming practices and new technologies.

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[8] 'How a small town's trajectory changed after the construction of a 600-hectare solar farm', Jane Norman ABC News, 21 Dec 2023 <https://www.abc.net.au/news/2023-12-21/workforce-narrandera-construction-solar-farm/103235476>

[9] DCCEEW, 'The First Nations Clean Energy Strategy', 2024 <https://www.energy.gov.au/sites/default/files/2024-12/First%20Nations%20Clean%20Energy%20Strategy.pdf>

[10] 'Farmers who graze sheep under solar panels say it improves productivity. So why don't we do it more?', Aston Brown, Guardian Australia, 13 June 2024 <https://www.theguardian.com/australia-news/article/2024/jun/13/farmers-who-graze-sheep-under-solar-panels-say-it-improves-productivity-so-why-dont-we-do-it-more>

[11] Farmers for Climate Action & Clean Energy Council, 'Billions in the bush: Renewable energy for regional prosperity report', Nov 2024 <https://farmersforclimateaction.org.au/wp-content/uploads/2024/11/DIGITAL-Billions-in-the-Bush-November-2024.pdf>

Environmental protections within renewable energy zones

The impacts of climate change represent by far the greatest threat to the environment, and are already accelerating Australia's biodiversity crisis and climate-related disasters such as fires and floods. The most significant thing that we can do to protect the environment, including local ecosystems within REZ, is to decarbonise our energy system through the rapid transition to renewable energy, and reach net zero emissions.

Additionally, renewable energy projects can have net positive environmental impacts by integrating biodiversity considerations and protections throughout the planning, design, construction, operation and decommissioning phases. Investing in independent environmental baseline data, as well as incorporating local knowledge from First Nations and local environmental groups, would support the identification of priorities and opportunities for mitigation, protection and restoration within REZ.

There are several case studies from across Australia that demonstrate the opportunities to implement design or technological solutions to protect and restore nature. One example, is the establishment of World's End Gorge National Park[12] as part of the vegetation offset strategy for the Goyder South wind farm. The use of Identiflight AI technology[13] at Cattle Hill wind farm formed part of their mitigation strategy to protect eagles from turbine blade strike. In the year following the implementation of this technology, there have been no impacts involving endangered and protected eagles, despite recorded eagle activity increasing.

While any form of development will carry environmental risks, strong regulatory protections can help to mitigate this. Like all infrastructure projects, if a renewable energy proposal has potential to impact on threatened species it triggers a referral to the EPBC Act. While this ensures that environmental protections are in place, the EPBC should be reformed as concluded by the 2020 Samuel Review of the EPBC Act.[14] One of the review's chief recommendations was to introduce a set of legally enforceable National Environmental Standards. Friends of the Earth supports this recommendation and the call to introduce a national Environmental Protection Agency.

The NSW Government should also implement policy and planning reforms to strengthen environmental protections and increase nature positive developments, as recommended in the Independent Review of the Biodiversity Conservation Act 2016.[15]

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[12] 'French green energy giant Neoen gifts Worlds End Gorge as new SA national park, in Goyder renewable project trade-off', Daniel Mercer, ABC, 17 Nov 2023 <https://www.abc.net.au/news/2023-11-17/french-green-energy-neoen-gorge-gift-goyder-national-park-trade/103115824>

[13] 'Wind farm owner says "blind spot" fixed to protect eagles from turbine blade strike', Sophie Vorrath, Renew Economy, 18 Sep 2024 <https://reneweconomy.com.au/wind-farm-owner-says-blind-spot-fixed-to-protect-eagles-turbine-blade-strike/>

[14] Prof. Graeme Samuel AC, 'Independent Review of the EPBC Act - Final Report', 2020

[15] Dr Ken Henry AC, 'Independent Review of the Biodiversity Conservation Act 2016 - Final Report', 2023 <https://www.parliament.nsw.gov.au/tp/files/186428/Independent%20Review%20of%20the%20Biodiversity%20Conservation%20Act%202016-Final.pdf>

Concerning onshore components of offshore wind projects, the NSW government should aim to match the leadership of Victoria with an ambitious set of plans for offshore wind. The development of a Ports Strategy and coordination between state and federal governments around the onshoring of transmission lines are two measures that can ensure that projects are held to high environmental standards.

There is also growing global consensus that the implementation of Marine Spatial Planning supports responsible development of offshore wind.[16] The development of a Marine Spatial Planning framework in Australia would provide clear social and environmental objectives and assist in mapping important ecological zones for protection, bringing Australia into line with international best practice and ensuring consistent regulation in offshore development.

No identified implications for fire risk, fire management or insurance

The NSW Department of Planning, Housing and Infrastructure has assessed risks and hazards associated with renewable energy developments and confirms that they do not present any elevated risk in relation to fire or firefighting.[17] This position is supported by AFAC, the National Council for Fire and Emergency Services, which states that "wind farms are not expected to adversely affect fire behaviour, nor create major ignition risks."[18] AFAC has assessed that wind turbines may actually reduce the risk of bushfire caused by lightning, and that access roads can act as fire breaks in the landscape.

By contrast, coal mine fires have been shown to present a significant risk to both the environment and communities, and place an outsized burden on public resources. One such fire at the Hazelwood coal mine in 2014 burned for 45 days, requiring hundreds of firefighters to extinguish it and causing ongoing health impacts.[19]

Fire management agencies such as Fire and Rescue NSW and the NSW Rural Fire Service are skilled at managing a range of risks and hazards when responding to fire, including around large-scale infrastructure. They should continue to be adequately funded and trained to develop and implement operational procedures for emerging contexts and effectively manage fire risk to communities. The NSW should also consider implementing the CFA's

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[16] 'Offshore wind industry is missing a crucial piece of the planning puzzle', Pat Simons, Renew Economy, 31 Jan 2023 <https://reneweconomy.com.au/offshore-wind-industry-is-missing-a-crucial-piece-of-the-planning-puzzle/>

[17] NSW Department of Planning, Housing and Infrastructure, 'Renewable Energy Planning Framework FAQ', 2024 <https://www.planning.nsw.gov.au/sites/default/files/2024-11/renewable-energy-planning-framework-faq.pdf>

[18] Australasian Fire and Emergency Service Authorities Council, 'Wind Farms and Bushfire Operations', 2018 <https://www.energy.nsw.gov.au/sites/default/files/2022-08/2018_10_AFAC_windfarmsbushfiresoperations.pdf>

[19] 'Hazelwood coalmine fire has had lasting health effects on Latrobe valley residents, study finds', Donna Lu, Guardian Australia, 29 June 2021 <https://www.theguardian.com/australia-news/2021/jun/29/hazelwood-coalmine-fire-has-had-lasting-health-effects-on-latrobe-valley-residents-study-finds>

Design Guidelines and Model Requirements for Renewable Energy Facilities,[20] or similar, in NSW.

In May 2024, the Insurance Council of Australia's statement on 'Farm Insurance and Energy Infrastructure' stated it "is not aware of any instances where Insurance Council members have been unable to provide insurance or have increased premiums as a result of a farm (or a neighbouring property) hosting energy infrastructure".[21]

While the ICA is *not* concerned about impacts on insurance from hosting or neighbouring energy infrastructure, it states that "wherever you live in Australia – whether you're directly exposed to extreme weather impacts or not – insurance premiums are rising because of the escalating costs of natural disasters".

Households in regions that are at greater risk of climate-related disaster are already experiencing reduced affordability of home insurance due to increased risk. Accelerating the transition to renewable energy will help to reduce the incidence of bushfire and other climate impacts, and contain rising costs of home insurance.

Financial cost of delaying the transition

Modelling by the CSIRO has consistently shown that the overall cost of delivering renewable energy - including construction, maintenance and decommissioning costs - is far lower than any other energy source,[22] with costs on a downward trajectory as technological improvements rapidly advance.

Analysis by NEXA Advisory[23] confirms that wind and solar, combined with new grid connections, batteries and pumped hydro, is the cheapest combination of energy production sources, and will deliver by far the cheapest wholesale energy prices, and subsequently the cheapest power bills for Australians. It identified slow planning approvals in NSW resulting in costs for developers that are 25 times those of an equivalent project in QLD.

By contrast, the cost to NSW of delaying the renewable energy rollout would be significant, with a delay in the rollout of transmission infrastructure alone expected to increase energy costs for NSW consumers by 88% in seven years,[24] and continued reliance on coal keeping power prices high.

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[20] Victoria Country Fire Authority, 'Design Guidelines and Model Requirements for Renewable Energy Facilities', 2023 <https://news.cfa.vic.gov.au/news/latest-cfa-renewable-energy-guidelines-released>

[21] Insurance Council of Australia, 'Farm Insurance and Energy Infrastructure' briefing, May 2024, <https://insurancecouncil.com.au/wp-content/uploads/2024/05/Updated-ICA_Briefing_Farm-Insurance-and-Energy-Infrastructure_May-2024.pdf>

[22] Climate Council, 'CSIRO confirms nuclear fantasy would cost twice as much as renewables', 10 Dec 2024 <https://www.climatecouncil.org.au/resources/csiro-confirms-nuclear-fantasy-would-cost-twice-as-much-as-renewables/>

[23] NEXA Advisory, 'Why investing in our grid is a priority for Australia' fact sheet, 2024 <https://assets.nationbuilder.com/vicwind/pages/3228/attachments/original/1721222386/Nexa_Transmission_Fact_Sheet_FA.pdf?1721222386>

[24] NEXA Advisory, 'The Consumer Cost of Transmission Delays Report', 2024 <https://nexaadvisory.com.au/web/wp-content/uploads/2024/07/Nexa-Advisory-Consumer-Cost-of-Transmission-Delays-Report.pdf>

Action to keep the energy transition on track will significantly reduce the need for future government initiatives to address cost of living pressures for individuals and small businesses, the need to underwrite the extension of ageing coal fired power stations such as Eraring,[25] and reduce the broader costs associated with failure to meet our climate targets.

Compensation to residents impacted by Renewable Energy Zone transmission lines

Landholders hosting transmission lines have access to both compensation and the New South Wales' Strategic Benefit Payments Scheme, which specifies a total payment of $200,000 per kilometre of transmission hosted. This is in line with other jurisdictions such as Victoria. However, the NSW government should work to develop guidelines around neighbour compensation and community benefit sharing to ensure best practice community engagement in the development of transmission infrastructure.

Transparency around decommissioning

Landowners and communities have a strong interest in decommissioning practices such as recycling, and require more access to information about project end-of-life and decommissioning agreements. We welcome the government's changes to the NSW Planning Framework which will improve transparency and financial accountability for decommissioning, and suggest that there are opportunities for continued improvement, for example in outlining industry obligations, and developing NSW's recycling capacities.

Opportunities for domestic workforce and manufacturing

Current modelling identifies a gap between the existing renewable energy workforce and the human resource needed to deliver the transition,[26] with an estimated two million workers required to work in renewable industries between now and 2050.[27] However, skills shortages have been identified across many aspects of the workforce, particularly in engineering and electrical roles, presenting a risk to the enormous potential for job creation in clean energy over the coming decades.

While initially the majority of new jobs are expected to be in construction, "by 2033 most jobs shift to ongoing operations and maintenance, which endure throughout the 25-year operating life of these assets".[28] This presents a significant opportunity for the government to invest in

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[25] 'Extending life of Australia's biggest coal-fired power station is 'deeply disappointing', green groups say', Peter Hannam, Guardian Australia, 23 May 2024 <https://www.theguardian.com/australia-news/article/2024/may/23/nsw-government-extends-life-of-australias-biggest-coal-fired-power-station-by-two-years-to-2027>

[26] Australian Industry Energy Transitions Initiative, 'Skilling Australian industry for the energy transition', 2023 <https://arena.gov.au/assets/2023/02/skilling-australian-industry-for-the-energy-transition-accenture-report-for-australian-industry-eti-phase-3.pdf>

[27] 'Australia's workforce shortage: A potential obstacle on the road to net zero', Australian Energy Council, 25 July 2024 <https://www.energycouncil.com.au/analysis/australia-s-workforce-shortage-a-potential-obstacle-on-the-road-to-net-zero/>

[28] Institute for Sustainable Futures, University of Technology Sydney, 'The Australian Electricity Workforce for the 2024 Integrated System Plan: Projections to 2050', 2024 <https://www.uts.edu.au/sites/default/files/2024-09/NEM%202024%20Workforce_FINAL.pdf>

jobs and training, particularly within REZs, such as the recently announced TAFE Centres of Excellence in the Hunter and Illawarra, to develop a skilled workforce to meet this demand. Investment in training should consider just transition principles and prioritise opportunities for workers transitioning from jobs in coal.

Manufacturing demand from the growing renewables industry also offers an opportunity for NSW to leverage REZ to support Australian manufacturing. Investment in a domestic clean technology manufacturing industry would create jobs, support economic growth, and accelerate the development of renewable energy through reinvestment in future decarbonised industries such as green aluminium[29] and steel. New industries such as offshore wind present unique opportunities, such as manufacturing of floating platforms. NSW should coordinate with Victoria, other states and the federal government on an offshore wind strategy to realise these opportunities.

No reduced visitation to regional areas with renewable energy zones

Evidence from across Australia and internationally does not show significant impacts on visitation to areas that host renewable energy projects. In NSW, the predicted change to land use in REZ is minimal with analysis showing that solar could power the east coast states using less than 0.027% of the land currently used for agricultural production.[30]

In fact, renewable energy development has the potential to increase visitation. The Blayney Shire Council states that the Blayney wind farm, which neighbours a popular campground, has "become a tourist attraction bringing significant economic benefits to the region".[31] This example demonstrates how governments can create multiple benefits when treating renewable energy as an opportunity for communities and regions.

In contrast, environmental degradation caused by climate change and related disasters has been identified as a significant risk to the tourism industry[32] in Australia, with the potential to heavily impact visitation and associated revenue.

Opportunities for deepening community consultation and engagement

Early and good faith consultation with communities by both government and industry is essential for any type of development and regulatory improvements could be made to ensure consistent, high quality consultation across communities and proponents.

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[29] 'Federal Labor to pledge $2 billion for 'green aluminium' in new election pitch', Tom Lowrey, ABC, 19 Jan 2025 <https://www.abc.net.au/news/2025-01-19/labor-pledge-2-billion-for-new-aluminium-production-credits/104835420>

[30] 'Farmers who graze sheep under solar panels say it improves productivity. So why don't we do it more?', Aston Brown, Guardian Australia, 13 June 2024 <https://www.theguardian.com/australia-news/article/2024/jun/13/farmers-who-graze-sheep-under-solar-panels-say-it-improves-productivity-so-why-dont-we-do-it-more>

[31] Blayney Shire Council, Tourism and Economic Development, Places of Interest, Wind Farm <https://www.blayney.nsw.gov.au/our-community/tourism-and-economic-development/places-of-interest/windfarm>

[32] Climate Council, 'Icons at Risk: Climate Change Threatening Australian Tourism Report', 2018 <https://www.climatecouncil.org.au/uploads/964cb874391d33dfd85ec959aa4141ff.pdf>

It is important to note that government consultation on the indicative REZ was undertaken in line with standard consultation practices for equivalent regional development projects, with changes made to proposed REZ demonstrating that the government is seeking to work with communities to deliver good outcomes.

However, feedback has demonstrated that consultation to date has been inconsistent, with some communities unclear about the need for the energy transition and the benefits that local renewables projects could deliver. In a number of REZ there is evidence that bad faith actors are spreading anti-renewables disinformation in an attempt to confuse the public and delay the transition, including by weaponising community consultation.

The government should invest in delivering clear and transparent information for communities, inoculating against further misinformation and disinformation, and providing meaningful pathways for communities to engage with the renewable energy transition. The NSW government should work with the federal government to deliver a network of Local Energy Hubs[33] to provide high quality factual information and support greater energy literacy in communities so they can have a genuine say over how projects happen in their region.

Renewable energy is clean, cost-effective and readily deployable

Renewable energy is already delivering 36% of electricity in NSW,[34] and 40% nationally,[35] and with many more projects in the pipeline, it makes sense to continue on this trajectory. With an ageing fleet of coal-fired power stations that are already experiencing challenges to operation[36] and the vast majority of which are projected to come offline over the coming decade,[37] NSW needs an alternative energy source that is readily deployable and commercially viable.

While the transformation of our energy system naturally requires significant upfront investment, renewable energy has consistently been shown to be the cheapest form of energy. Transitioning to renewable energy is the fastest and most cost-effective[38] way for NSW to meet its legislated emissions reduction targets and keep the lights on as coal-fired power stations around the state reach their end of life.

While there has been speculation from political parties and the media that nuclear reactors could present an alternative to renewable energy, nuclear energy is not a viable alternative

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[33] RE-Alliance, 'Local Energy Hubs Policy Summary' briefing note, 2024 <https://www.localenergyhubs.org.au/briefing-note>
[34] Climate Council, 'Race to the top: Australia's clean energy momentum report', 2024 <https://www.climatecouncil.org.au/resources/new-south-wales-and-australias-race-to-renewables/>
[35] Clean Energy Council, 'Clean Energy Australia report', 2024 <https://cleanenergycouncil.org.au/getmedia/0cb12425-37ab-479e-9a4b-529622cc9c02/clean-energy-australia-2024.pdf>
[36] 'NSW's energy supply is 'extremely tight'. Here's how another heatwave could tip it over the edge', Joshua Boscaini and Alexander Lewis, ABC, 29 Nov 2024 <https://www.abc.net.au/news/2024-11-29/nsw-energy-supply-hot-weather-explainer/104658606>
[37] Australian Energy Market Operator, 'Integrated System Plan', 2024 <https://aemo.com.au/-/media/files/major-publications/isp/2024/2024-integrated-system-plan-isp.pdf?la=en>
[38] CSIRO, 'GenCost 2024-25 draft report', 2024 <https://www.csiro.au/en/news/All/News/2024/December/GenCost-2024-25-Draft-Report-released-for-consultation>

for Australia.[39] Aside from being the most expensive form of energy generation, there are legislative bans at multiple levels of government, and significant opposition from First Nations groups and proposed host communities.[40] Nuclear reactors are a distraction from the urgent need to transition to renewable energy, and seem to be part of a strategy to prolong the lifespan of polluting coal and gas.

The NSW government should focus on accelerating renewable energy development to ensure we can meet both growing demand and legislated emissions reduction targets. In addition to replacing existing capacity, projections show that the total electricity generation needed to account for the electrification of industry will grow substantially. The development of offshore wind and its onshore components is a crucial element of future energy generation due to its capacity to deliver large volumes of electricity for heavy industries.

Role of the Net Zero Commission and Commissioner

The establishment of the Net Zero Commission and the appointment of the Commissioner highlights the importance of developing clear steps to meet our climate targets, informed by independent and expert advice. The Commission's recent report reveals the need for urgent action to address climate change, and identifies that significant decarbonisation in the electricity and energy sector is required if NSW is to meet its 2030 and 2035 targets.[41]

The Net Zero Commission is well-placed to engage with communities in regional NSW and REZ about the renewable energy transition, and to provide information about the pathway by which we will meet these targets. We hope that the Net Zero Commission will play an active role in engaging communities in rural and regional areas in the renewable energy transition.

Thank you for the opportunity to make a submission to this inquiry. We welcome opportunities for further discussion of these matters, including as part of inquiry hearings.

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[39] Australian Conservation Foundation, 'Why nuclear power will never be right for Australia' fact sheet, 2024 <https://assets.nationbuilder.com/auscon/pages/23412/attachments/original/1717550548/Nukes_will_never_be_right.pdf?1717550548>

[40] Friends of the Earth et al., 'Inquiry into Nuclear Power Generation in Australia' submission, 2024 <https://www.aph.gov.au/DocumentStore.ashx?id=a7159700-1133-4552-9edb-20ed4e3b1da1&subId=774227>

[41] Net Zero Commission, 'Annual Report', 2024 <https://www.netzerocommission.nsw.gov.au/sites/default/files/2024-11/Net_Zero_Commission_2024_Annual_Report.pdf>