



Senate Standing Committees on Economics
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Inquiry into Treasury Laws Amendment (2022 Measures No. 4) Bill 2022 [Provisions]

The Smart Energy Council welcomes the opportunity to provide a submission to the Inquiry into Treasury Laws Amendment (2022 Measures No. 4) Bill 2022 [Provisions] Schedule 8 Amendment of the Clean Energy Finance Corporation Act 2012.

The Smart Energy Council is the peak independent body for Australia's smart energy industry, representing over 950 household, commercial and large-scale renewable energy, renewable hydrogen, and smart transport companies.

The Smart Energy Council is a strong supporter of the Clean Energy Finance Corporation (CEFC), an organisation that has made an extraordinary and disproportionate contribution to climate action in Australia.

The Smart Energy Council believes we can and must have a strong economy and a safe climate. Targeted government finance that achieves least-cost project de-risking through co-investing and similar means, is essential for delivering a secure path to market for the many nascent smart energy technologies and systems required to decarbonise Australia's economy.

The Smart Energy Council supports the three key areas of the proposed amendments, being:

1. Clarifying decisions
2. Additional funds
3. Ability to provide funding in the future.

Scope and Context

In the 10 years since it was established, the CEFC has weathered a formidable path through seven prime minister-ships. Despite much changing over that time, the CEFC remains a key player, financing the transition of the domestic energy sector, and underpinning the success of Australia meeting its international obligations under the Paris Agreement.

Ten years in, it is important to revisit the CEFC to ensure the institution remains fit-for-purpose, and that opportunities for the CEFC to help insert finance solutions into the varied areas of the energy transition, are realised.

This submission relates to the Schedule 8 Amendment, relating to the Clean Energy Finance Corporation Act 2012.



Key Points

In order to deliver on Australia’s Nationally Determined Contribution of 43% emissions reductions by 2030, modelling shows Australia will need 82% renewables over the same period. Investment in large pumped hydro is important to support high levels of grid-connected renewable energy generation, but it takes many years to come online and does little, if anything to lower household energy bills.

It’s why the Smart Energy Council urges that the CEFC prioritises renewable energy storage at *all* scales - household battery storage, electric vehicles as batteries on wheels, community and commercial battery storage, large-scale battery storage, solar thermal as well as pumped hydro. The Smart Energy Council also urges the CEFC to consider its strategic position in helping unlock capital to flow to more innovative distributed energy resources products as well as renewable (or green) hydrogen projects.

Given this opportunity to amend the CEFC Act, it may be suitable to:

Make explicit the definitions in ‘complying investment’

1. Step out the definition of ‘complying investments’ such that distributed/consumer energy systems including energy storage (such as battery electric vehicles for example) and enabling systems (such as those aimed at power integration and orchestration), are duly codified.

Please see following **red coloured text** for suggested wording amendment:

Current	Proposed
<p>Complying investments: in any one or more of the following;</p> <ul style="list-style-type: none"> ● <i>energy efficiency technologies, that are related to energy conservation or demand management technologies;</i> ● <i>low-emission technologies; and</i> ● <i>renewable energy technologies, that are hybrid technologies that integrate renewable energy technologies and technologies that are related to renewable energy.</i> 	<p>Complying investments: in any one or more of the following;</p> <ul style="list-style-type: none"> ● <i>energy efficiency and flexible demand technologies, that are related to energy conservation, storage or demand management technologies in front of and behind the meter, including in electric vehicles;</i> ● <i>low-emission technologies; and</i> ● <i>renewable energy technologies, that are hybrid technologies that integrate renewable energy technologies and technologies that are related to renewable energy.</i>



Extend the scope of the Australian Recycling Investment Fund

2. Extend the scope of the Australian Recycling Investment Fund, to include batteries, PVs and other clean energy technologies relevant to the remit of the CEFC.

Should you wish to discuss this further, [REDACTED].

Wayne Smith

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