

SOUTH WEST INTERCONNECTED SYSTEM

Statement

HON DR BRAD PETTITT (South Metropolitan) [6.29 pm]: Tonight I want to talk about energy in terms of the south west interconnected system. I want to respond partly to an answer I got to a question without notice I asked in question time yesterday. Interestingly, it shone a light on the SWIS. For the first time, we have seen a stated ambition for the SWIS. I should explain the SWIS. It is the south west interconnected system—the energy grid that powers all of Perth and the south west, as well as out to Kalgoorlie and up to Geraldton. It is the first time that I and many others in this space have seen a stated ambition of 82 per cent renewable energy, which is really good. In fact, the minister went on to point out that, based on current commitments, Western Australia’s renewable energy contribution is expected to be 84 per cent by 2030. That is good news and I am certainly pleased to hear it. However, I will say that it is interesting that it is not written down anywhere else. I have never seen those commitments to 82 and 84 per cent renewable energy by 2030 stated anywhere else but in response to this question. There is certainly no documentation.

The answer also pointed me to the *SWIS demand assessment 2023 to 2042*. Apparently, it is in there. I have scoured that document. It is not in there. I also make the point that that document is not from May 2022, as the answer outlined; it is from May 2023, and there is no reference to either 82 per cent or 84 per cent. Putting that aside, it is good news. Interestingly, it aligns quite closely with some modelling that I commissioned for a report that I have just finished called *Climate positive Perth*. That very detailed modelling came up with a similar number. It shows that 87 per cent, which is in the ballpark, is possible to achieve by 2030 if we put in 4 800 megawatts of new wind and 1 500 megawatts of new large-scale solar. That would give us 87 per cent. That is really interesting, because that 87 per cent—I suspect that the minister’s numbers would do similarly—would give us a much cheaper form of energy. The modelling that I have commissioned shows that there would be more than a one-third drop in the levelised cost of energy—from over \$200 a megawatt down to \$120—which is pretty extraordinary and extremely good.

Up to this point, the minister, the state government and I largely agree on what needs to happen. We need to go from where we are now, which is about 29 or 30 per cent renewable energy, up to the mid to high 80s over the next seven years. That raises a very interesting question: how are we going to get there? I raise that because, unfortunately, that is just an ambition that the minister has stated. It is not legislated. It is not regulated. It is not part of a renewable energy target, which every other state has. It is not part of an emissions target, which every other state has. In fact, we are also the only state without renewable energy zones. There is no mechanism to get us there. What we have instead—this is what I want to raise tonight—is a very different approach to get us there and one that I do not think is going to get us there.

This week the minister announced that he was going to hold a bunch of meetings about working with industry to get it to contribute to what is called network augmentation or transmission so that renewable energy can go on the SWIS. That sounds like a strange way to get renewable energy on the SWIS—to ask industry to pay for transmission, in addition to connection costs. These are no small amounts. The guide says that the government is expecting industry to pay \$100 000 a megawatt. Just to give members some context for that, the Merredin wind farm is over 200 megawatts. It would be expected to pay an extra \$20 million up-front, plus connection costs, before it even started, but it would not get to own the transmission that it put \$20 million towards. That would just be a gift to get a dollar for it as part of a program of government. I might be wrong. I hope I am wrong. I hope that the minister’s idea that industry is going to say, “Great; we’d love to pay \$100 000 a megawatt so that we can put in renewable energy projects”, is going to work. I hope it works, but everything I am hearing indicates that it will not.

Hon Sandra Carr: Otherwise we’d just have the situation like we have up north where all the industry leaders put up their own infrastructure and emissions go up. This is about shared infrastructure. The whole point of that is to bring down emissions. What you’re saying doesn’t make any sense.

Hon Dr BRAD PETTITT: Let me explain. The SWIS is all shared infrastructure. It must be shared infrastructure. The real question is: who pays for that shared infrastructure? In every other state, the government puts in the transmission and then charges a reasonable ongoing access fee for anyone to do that. In this state, we do not want to do what works pretty well across the rest of the country. I pick Queensland as an example. Queensland now has 10 times the amount of renewable energy going into its market than we do right now because that is the model it uses. Instead, we are saying that industry should pay for the transmission and the connection and then we will own it. As a result of that, the Clean Energy Regulator came out with a document earlier this year that showed the percentage of new renewable energy projects around the country that are going on the SWIS—one per cent. This is what makes me angry. We have absolutely dried up new renewable energy investment right at a time when we need to be ramping it up. This is the key point. We are using mechanisms that are disincentivising investment. There is competition globally for new investment in renewable energy and we are hamstringing ourselves and disincentivising it. We are wondering why all the new projects are going to Queensland and other parts of Australia

and are not coming here. It is because of the model that we are using, and the numbers show it. These are not my numbers; these are the numbers from the Clean Energy Regulator. The key point is that that investment is drying up. If we are serious about getting to 80-plus per cent renewable energy—energy that will be more than one-third cheaper—we should do it.

There is one final point I want to make. This is what really worries me. The Albanese government recently signed up to give WA \$3 billion for transmission. How much of that is going to the SWIS, where everybody lives? Does anyone have any idea? I do not know, but I am going to ask questions about it in coming weeks. All the evidence I am seeing indicates that it is less than one-third, and it could be as low as 10 per cent. Why are all those billions of dollars for transmission going to industry? In fact, it is going into the north west system, away from where all the consumers are and away from the people who should be benefiting from lower energy prices. Chris Bowen said in a media release that this is a great thing because it will drive down prices for consumers. No, it will not, because it is all going up to where industry is in the north west. Consumers will not benefit.

Hon Sandra Carr: It's going that way to bring down emissions.

Hon Dr BRAD PETTITT: Fine. Coming back to Hon Sandra Carr's earlier point, why should industry not pay if industry is going to use it and why should the two million-plus people who use the SWIS not benefit from taxpayer money that is going to drive down energy prices on the SWIS? That is what I think should be happening.

I go back to my earlier point. We are not getting that kind of investment in the SWIS. At the heart of this, we all agree where we need to go and we agree on what the target can and should be. The problem is that we have an energy minister and a government that are not investing in the transmission that is needed to enable it to happen. I bet that, in four or five years, we will be nowhere near 80 per cent. In fact, we will be saying, "Sorry, but we couldn't get any new renewable energy on the SWIS; we had to put new gas on." That is where we are going to end up. That new gas will be more expensive and more polluting, but that is exactly where we are going because we are failing to deliver on renewable energy.

House adjourned at 6.39 pm
