

Transport for NSW

Responses to post-hearing questions

Legislative Assembly Committee on Transport and
Infrastructure

Emission free modes of public transport

Hearing Date – Friday 19 August 2022

QUESTIONS ON NOTICE

QUESTION 1.

GILLIAN GERAGHTY: I'm happy to provide a bit more specificity, if that's okay. I might talk to the zero-emission buses program that we're currently looking at delivering. In my 30 years of delivering infrastructure and planning infrastructure, I think we can only deliver something like this in very close collaboration with industry, our operators and our customers.

We started in 2021, as Ms Morgan outlined in her opening statement, with industry on how we would work and deliver a zero-emission bus program, especially in the order of the size of the 8,000 buses that we're talking about. We received a considerable amount of submissions to that, and over 80 per cent of them were favourable and were supportive of the program. We also did some further, very specific consultation earlier this year with some specific groups to develop a little bit more detail, and in June this year the Government—

Mrs MELINDA PAVEY: Sorry, what were those groups?

GILLIAN GERAGHTY: I can tell you, Mrs Pavey. There were 32 suppliers across eight sectors. I can provide more detail on notice.

ANSWER:

In June 2022, Transport for NSW engaged with stakeholders as part of a targeted industry consultation on Zero Emission Buses. The details of those stakeholders are listed in the table below.

Many of the stakeholders involved had previously engaged with Transport for NSW through the 2021 Zero Emission Bus Transition Strategy callout for industry feedback.

Industry Category	
Bus manufacturer	ARCC, Arrival, Bustech, Custom Denning, Daimler Mercedes, Nexport, Volgren, Volvo, Yutong
Battery manufacturer	Energy Renaissance
Charging hardware	ABB, Electromotiv, Enel-X, Heliox, Hitachi, JetCharge, Siemens, Toshiba, Tritium
Charging software	ABB, Everergi, Heliox, Hitachi, JetCharge, Siemens, Yutong, Zenobe
As a Service	Bustech, Custom Denning, Daimler Mercedes, Electromotiv, Heliox, Hitachi, Macquarie, Nexport, Siemens, Volgren, Volvo, Yutong, Zenobe
Design & construction	Downer, John Holland, Mondo, Stowe, Tobco
Disposal and recycling	Envirostream, Everledger, TES, Battery Stewardship Council,

Industry bodies	Business NSW, Bus Industry Confederation, ICN Victoria, ICN NSW, Small Business Commissioner
Social enterprise	Social Traders
Finance	Macquarie, NAB, CBA, ANZ, Westpac
Energy retailer	Iberdrola

QUESTION 2.

The CHAIR: Bearing in mind the scale of it—again, trains being 51 per cent—can you perhaps furnish us with some detail? Given the proportionality here, help us to understand that analysis, those benefits? There's no question there are benefits, perhaps costs too. But help us to understand that analysis, how that's played out and how, therefore, it might also be applied to other forms of public transport as well.

HOWARD COLLINS: Because I used to be the chief executive of Sydney Trains I can give you a little bit of a history of electricity procurement. As people may know, we use a lot of it. The interesting thing about Sydney Trains is we started off with 900,000 customers a day in 2013 when I first started and we were on 1.4 million a day in 2018-19 before COVID struck. So we are using 35 per cent more power. We did, and have over many years, run a competitive process to ensure that we procure electricity using all the tools which were available, from hedging to the complexities that I probably couldn't start to explain, but I'm sure there are people who can explain that. We did have the opportunity, when those contracts were ready for renewal, to consider some options, as we had done in the past, of whether taking this route in utilising, for example, Avonlie Solar Farm and Red Energy and their zero-emission products and put that into the process of re-tendering for the supply market until 2030. Through a process of analysis, the gathering of data and looking at the business case and the benefits, we believed, and were supported by government, that this was the best route to take, and added the best value for money when it came to New South Wales and those people who use Sydney Trains. If you want more detail on that, I think I'd have to call upon my specialists to share information with you or take it on notice.

The CHAIR: Yes. Take it on notice, if you don't mind.

ANSWER:

On the pathway to achieve Net Zero Emissions from electricity, Sydney Trains secured a long-term offtake agreement equivalent to electricity usage for all stations of 9 per cent, from 1 July 2021 to 31 December 2030.

A separate offtake for an additional 31 per cent commencing, 2023-24 financial year through to 31 December 2030, was secured to manage the risk of increasing Large-scale Generation Certificate forward markets. Subsequently, a range of options to accelerate Net Zero were assessed and through flexibility incorporated into the electricity contract, achieved from 1 July 2021 to 30 June 2025. All these agreements are with Red Energy.

To maintain this commitment, Transport for NSW undertook a market exercise for the remaining 40 per cent from 1 July 2025 through to 31 December 2030, to diversify renewable sources in a fiscally responsible manner, while supporting renewable

energy development in NSW. This was achieved through a long-term agreement with Iberdrola, with direct linkages to their new solar farm under construction near Narrandera.

The total cost of the renewable component, over and above the base electricity contract, is approximately \$130 million across the four agreements for the 9.5 years to 31 December 2030.