

**Supplementary
Submission
No 241a**

SUSTAINABILITY OF ENERGY SUPPLY AND RESOURCES IN NSW

Organisation: Eurobodalla Shire Council

Date Received: 22 May 2020

Our Reference: 4248251

20 May 2020

Committee on Environment and Planning
Parliament of New South Wales
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Dear Committee Members

Revised Terms of Reference

Eurobodalla Shire Council welcomes the opportunity to comment on the revised terms of reference to the inquiry on the sustainability of energy supply and resources in NSW.

The scope of the terms of reference have been broadened to consider the impact of COVID-19 on workforces, industry and the wider economy. There is no question that COVID-19 has resulted in a tremendous shock to the economy and will require a carefully considered response to restore productivity. Council endorses the revised scope of this inquiry but suggest they should be further expanded to also consider the impacts and lessons learned from the 2019/2020 bushfire season.

Since the inquiry closed in September 2019 not only have we seen the serious impacts of COVID-19, but we also witnessed the unprecedented bushfires of this summer. In Eurobodalla about 80% of the Local Government Area was burnt, resulting in devastating impacts to the local economy. Eurobodalla was not alone in this tragedy with vast areas of NSW affected. These communities are still reeling from a summer of incredible disruption and lost tourism trade; before they have had a chance to draw breath they are now confronted with the impacts of COVID-19. Council strongly urges the committee to not only consider the impacts of COVID-19, but also the impacts, as well as the lessons learned, from the 2019/2020 bushfire season.

The development of a targeted stimulus package from the NSW Government to assist in the recovery from these impacts, should look towards programs that deliver multiple benefits to the economy and society. As Council stated in our original submission to the inquiry, we recognise that the transition to a cleaner electricity network with a higher penetration of renewable energy is inevitable, desirable and has the potential to deliver much needed economic development, particularly to parts of regional NSW. Renewable energy also has the potential to increase the resilience of electricity networks and vulnerable communities in response to emergencies.

During the 2019/2020 bushfires, communities in Eurobodalla and across the country sheltered from fires on beaches and in evacuation centres. We saw many small villages threatened by fires that were only serviced by one road in and out, and one electricity line, which made them particularly vulnerable in an emergency like this. As a result we saw communities exposed, without power and without communications, for extended periods of time.

Council urges the NSW Government to consider how the resilience of local and individual power supplies can be improved, particularly in preparation for emergency incidents. Renewable energy and smart grids can play an important role in addressing these issues.

Our Distributed Network Service Provider, Essential Energy, recognises that stand-alone power systems (ie,. solar power with battery and generator back up) represents an opportunity for networks to reduce overall costs for all customers, increase reliability for edge-of-grid customers and enhance network resilience against events such as bushfires. In a briefing note on *Regulatory arrangements for stand-alone power systems* (18 March 2020) Essential Energy states:

Approximately 0.5 per cent of Essential Energy's customers require around 17 per cent of the length of the installed network to service their electrical needs. We also manage significant bushfire risks in our service areas. One million spans of our network are in designated bushfire zones and vegetation management is our single biggest operating expense.

Serving customers in densely forested areas or remote rural locations often comes at a cost significantly higher than the recovered revenue due to vegetation clearance and ongoing maintenance requirements. Given these features of our network, Essential Energy sees stand-alone power systems and similar solutions as an opportunity to both improve the reliability and quality of service for our higher cost-to-serve customers as well as reducing costs, including avoiding significant future costs as major upgrades or repairs are required on low density areas of the network, and therefore bills for all customers in our service territory.

Further, there are significant benefits from removing network infrastructure from higher risk areas in the form of reduction in bushfire risk and enhanced network resilience.

Historically networks have not been allowed to provide or service stand-alone power systems for their customers. The Australian Energy Market Commission is currently reviewing the rule and law changes required to enable regulated networks to offer and manage stand-alone power systems. It is important that the NSW Government supports these changes.

In addition to this important need, stand-alone power systems can play a critical and life-saving function for evacuation centres, isolated villages and key public assets during emergency situations. Solar power combined with emergency backup batteries and generators, and satellite communications can play a critical role in emergency situations like those we witnessed this summer.

Should you require further information, please contact Council's Sustainability Coordinator, Mr Mark Shorter on [REDACTED] or [REDACTED]

Yours sincerely

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