



LEGISLATIVE COUNCIL

PORTFOLIO COMMITTEES

BUDGET ESTIMATES 2021-2022 Supplementary Questions

Portfolio Committee No. 1 – Premier and Finance

TREASURER, ENERGY

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TREASURER, ENERGY

Questions from the Hon Mark Buttigieg MLC *(on behalf of the Opposition)*

Early Retirement of Eraring Power Station

1. How did Project Phoenix modelling consider the impact on employment in the region proximate to Eraring Power Station?
 - (a) What is the estimated number of job losses connected to the early retirement of Eraring?
 - (b) When will this modelling become available to be shared with the Committee?
2. Did the Minister or Department inform the Federal Minister for Energy or his Department of the possibility that Eraring Power Station would retire earlier?
 - (a) If not, did the Minister or Department advise or encourage Origin to advise the Federal Minister for Energy or his Department of the possibility that Eraring Power Station would retire earlier?
3. What commitments have Origin provided the Government in relation to worker transition plans to Eraring?
 - (a) What steps are the Government taking to ensure those transition plans outlined by Origin are actioned?
4. Has the Minister at any point received advice from the Department or an advisor that the installation of the Waratah Super Battery is unlikely to be completed by 2025?
 - (a) How much is the NSW government investing in the Waratah Super Battery under its Transmission Acceleration Facility?
 - (b) What back-up does the grid have if Eraring retires in 2025 and the Waratah Super Battery is incomplete?

Gas

5. What contingency measures have the Department considered if there is a further decline in gas producers' forecasts?
6. Does the Australian exposure to the global market for LNG create a higher risk of higher gas prices?
 - (a) Has the Department modelled gas prices after 2023?
 - (b) What steps has the Minister and Department taken to mitigate the risk of gas shortages or price rises?
7. Has the Department modelled the impact of higher gas prices on manufacturing?

8. What steps is the Minister taking to reduce household reliance on natural gas?

AGL Takeover Bid

9. Has the Minister or a member of the Department spoken to senior executive staff at AGL about the takeover bid made by Mr Cannon-Brookes and Brookfield?

10. Has the Minister directed the Department to undertake modelling on the impact of the earlier retirement of Bayswater Power Station?

NSW Electricity Infrastructure Roadmap

11. Of the original \$32 billion investment plan, how much has been spent to date?

(a) How many jobs have been created so far by the money spent from this investment plan?

(b) How many projects have commenced or progressed beyond a construction phase?

i. If finished tomorrow, how many gigawatts of new renewable energy capacity would these projects add to the grid?

ii. If finished tomorrow, how many additional gigawatts of storage capacity would be added to the grid?

Kurri Kurri Gas Peaking Station

12. What commitments have the NSW Government sought and/or received from the Federal Government in relation to local job opportunities in the construction and operation of the proposed Kurri Kurri Gas Peaking Station?

(a) How many local apprentices will be employed by the project?

(b) How many women will be employed by the project?

(c) How many Indigenous people will be employed by the project?

(d) How many long-term unemployed people will be employed by the project?

(e) What percentage of the workforce will be drawn from the local area?

(f) Are there any guarantees that local contractors and businesses will be provided work through the project?

(g) What percentage of the project will be built with local steel as compared to imported steel?

Electricity Prices

13. What is the average price of electricity in a quarterly household bill for the years 2020 and 2021?

(a) Has the average household bill increased during lockdown period of 23 June 2021 to 11 October 2021?

i. By how much has it increased?

- (b) How many consumers asked for an extension on energy bills in Q4 2020-21?
- (c) How many consumers were disconnected from their retail provider in Q4 2020-21?
- (d) How many NSW consumers are currently paying the electricity reference price?

State of the Environment Report 2021

14. The EPA has released a State of the Environment Report for 2021. Does the Minister agree with the following findings:
- (a) Total NSW non-renewable energy consumption is poor.
 - (b) Total transport sector use of non-renewable energy is poor.
 - (c) Atmospheric concentrations of greenhouse gases is poor and the trend is getting worse.
 - (d) Project outcomes for annual mean temperature and sea level rise is poor and the trend is getting worse.

Solar & Battery Support Programs

15. Of the \$50 million increase to the Solar for Low Income Households program, how much has been spent?
- (a) How many recipients installed solar through the program in 2020-21?
16. What is the value of the Low Income Household Rebate in 2020-21 for an individual recipient?
- (a) How much money was allocated to the scheme?
 - (b) How much money has been drawn from the scheme?
17. What criteria does an individual need to satisfy in order to be a qualifying applicant in the Empowering Homes program?
- (a) How many household batteries have been installed under the scheme to date?
 - (b) How many households have participated in the scheme to date?
 - i. Can the Department provide a breakdown of householders per LGA?
 - (c) Does the government intend to expand the pilot further?

Renewable Energy Zones (REZ)

18. The Minister has previously said that the way Transgrid engaged landowners was not respectful. What is the status of the guidelines being developed that Transgrid would be forced to adhere to when engaging with private property owners?
- (a) If complete, can it please be provided to the Committee?

- i. What feedback has the Department obtained from landholders since these guidelines were applied?
19. The Rod Stowe report made 20 recommendations to Transgrid. Based on these recommendations what consultation will now be performed by Energy Co?
20. How many projects have commenced under the Hunter-Central Coast REZ?
21. Has the government reviewed arrangements under the *Just Terms Compensation Act* in recognition of the long-term financial consequences to the farming sector through use of agricultural land for essential renewable energy infrastructure?
 - (a) Are there options for annual payments or payments to neighbouring landholders?
 - (b) What compensation is being provided to affected communities?

Green Investment Strategy

22. What is the status of the NSW Government's Green Investment Strategy?
 - (a) When will it be finalised and/or released?
 - (b) Are there projections on the anticipated investment the strategy aims to attract?

NABERS

23. In the Net Zero Plan Stage 1, the NSW Government committed to expanding the NABERS rating scheme to other major building types. Can you please update on work completed to date to expand the NABERS rating scheme?
 - (a) Has the Department conducted an audit of government buildings?
24. In the Net Zero Plan Stage 1, the NSW Government committed to improving the BASIX to provide a pathway to deliver cost-effective, low emissions outcomes for residential, commercial and public buildings. Can you please update on work completed to date to improve BASIX?

Lane Cove Test Station Closure

25. The NSW Government facilitated engagement between PLUS ES and the electrical industry to assess implications and risks of the Lane Cove Test Station Closure. What is the status of the industry consortium formed to identify solutions for its continued operation?
 - (a) Has the Minister/Department undertaken an evaluation of the implications of the closure of the Lane Cove Test Station?
 - (b) Is the Minister/Department aware of the risks arising from the closure of the Lane Cove Test Station in relation to energy security and the ability of domestic businesses to innovate and to supply the domestic market with high quality electrical equipment?

- (c) Does the NSW Government have any plans to explore ways to ensure that the capability to undertake high current testing of electrical equipment is not lost to Australia once PLUS ES closes the Lane Cove Test Station?

Sweltering Cities Report

- 26. Has the Minister or Department reviewed The Australia Institute and Sweltering Cities report 'HeatWatch: Extreme Heat in Western Sydney'?
 - (a) What adaptation measures have the Minister and/or Department considered implementing to address the risk of a five-fold increase in extreme heat days in Western Sydney?

Disability Employment

- 27. How many employees identify as having a disability within the Department of Energy?
 - (a) How many of these employees are in senior management positions?
- 28. How many employees identify as having a disability within the NSW Treasury?
 - (a) How many of these employees are in senior management positions?

Questions from Ms Abigail Boyd MLC

Electric Vehicle purchases

29. How many EVs have been purchased since the start of:
 - a. The NSW government rebate program
 - b. The NSW government stamp duty exemption program
30. Of those how many have claimed either the rebate or the stamp duty exemption?
31. Please provide a breakdown by suburb of where those vehicles were purchased to indicate which communities are taking up the government's rebate and stamp duty exemption programs the quickest.
32. What analysis has Transport for NSW done to determine the areas where demand for EVs is highest or where residents are interested in purchasing EVs?
 - a. How will that impact decisions about where to install EV charging?

Mole River Dam proposal

33. Has the strategic business case for Mole River Dam been reviewed by Treasury and Infrastructure NSW under the Infrastructure Investor Assurance Framework?
34. Has the NSW Government produced a final business case for the Mole River Dam?
35. Have all milestones for the Mole River Dam business case, as itemised in the Project Agreement under the National Water Infrastructure Development Fund – Feasibility Component (2019 – 2025) Schedule E signed by Deputy Prime Minister Barnaby Joyce on 8 August 2021 and NSW Water Minister Melinda Pavey on 14 September 2021, been met?
36. Has the NSW Government received the \$12m committed under the Federal funding agreement?
37. How much funding from the NSW budget has been invested in developing the business case for Mole River Dam?
38. Is the NSW Government proceeding with the Mole River Dam project?

Dungowan Dam & Pipeline proposal

39. Has the final business case for Dungowan Dam & Pipeline been lodged with Treasury and Infrastructure NSW for review under the Infrastructure Investor Assurance Framework?
40. Has the failure of the Dungowan Dam & Pipeline project to meet the third milestone as itemised in the Project Agreement under the National Water Infrastructure Development Fund – Capital Component (2019 – 2025) Schedule E signed by Michael McCormack on 20 December 2020 and NSW Water Minister Melinda Pavey on 22 January 2021, caused a budgetary shortfall of \$20m?

41. How much has the development of the Dungowan Dam & Pipeline final business case cost?
42. How much of the development of the Dungowan Dam & Pipeline final business case has the NSW Government funded?
43. How will the NSW Treasury view a significant increase in the cost of Dungowan Dam & Pipeline when the Productivity Commission has stated that any increase in costs will make the project unviable?
44. Is the NSW Government prepared to invest above the current commitment of \$242m into the Dungowan Dam & Pipeline proposal?

Macquarie Re-regulating Weir (Macquarie-Wambuul Water Security project)

45. Has Treasury reviewed the final business case for the Macquarie Re-regulating Weir?
46. Was that business case rejected by the NSW Government?
47. Will the rebadged project, now known as the Macquarie-Wambuul Water Security project, be costing the impacts of the project on the downstream Ramsar listed Macquarie Marshes?

Raising Wyangala Dam Wall proposal

48. Has the failure of the Wyangala Dam project to meet the second and third milestones as itemised in the Project Agreement under the National Water Infrastructure Development Fund – Capital Component (2019 – 2025) Schedule E signed by Michael McCormack on 20 December 2020 and NSW Water Minister Melinda Pavey on 22 January 2021, caused a budgetary shortfall of \$40m?
49. What is the cost of the construction of the Wyangala Treatment Plant?
50. How much has the NSW Government spent, to date, on the development of the final business case and Environmental Impact Statement for the Wyangala Dam proposal?
51. Have the Treasury predictions, released in papers to Parliament, that the Wyangala Dam proposal may cost between \$1.2b and \$2.1b when only \$650m has been committed, shared by the federal and state governments, changed the NSW Government support for the project?
52. Is the NSW Government prepared to fund the excess costs above \$650m for the Wyangala Dam proposal?

Questions from the Hon Mark Latham MLC

53. Does the Energy Minister continue to be sceptical as to the need for the Kurri Kurri gas fired plant? Or will the Energy Minister now acknowledge that Angus Taylor was correct to support the development of a new gas fired generator at Kurri Kurri, in a manner similar to the NSW Government-funded Tallawarra B gas-peaking plant?
54. When will the first contracts under Minister Kean's Electricity Infrastructure Roadmap be signed?
55. Will the Government commit to release the full details of each contract signed under the Government's Electricity Infrastructure Roadmap so that NSW taxpayers will be able to see whether the Government has provided any financial support or commitments in terms of backing the relevant project?
56. Can the Government provide details of contracts with KPMG in relation to the development of the Government's Electricity Infrastructure Roadmap?
57. Can the Government provide details of contracts with KPMG in relation to the implementation of the Government's Electricity Infrastructure Roadmap?
58. Can the Government provide details as to the processes followed in awarding these contracts to KPMG?
59. I refer to the announcement by Minister Kean when responding to the early closure of the Eraring Power Station on to the building of a 700MW Waratah big battery to cover the expected electricity supply shortfall:
 - Where will this battery be built?
 - When will construction be commenced?
 - When will the battery become operational?
 - What funding support will be provided by the State Government?
 - Is it correct that this proposed battery can only run continuously for a maximum of 2 hours?
 - How is a battery that can only run for a maximum of 2 hours going to be able to replace the 2800MW Eraring plant during the daily evening peak electricity demand period that runs for well over 2 hours?
 - How will a battery that can only run for 2 hours going to be able to replace the 2800MW Eraring plant during the Summer peak demand period in 2026?

60. Will Minister Kean now correct his statement (at page 18 of the Transcript) that he had received advice from AEMO on the unserved energy consequences of the early closure of Eraring, given this is not true?
61. Why did James Hay claim the EST monitor report is a higher reliability standard than the unserved energy target, given that a capacity target is only a hypothetical reflection of available capacity (regardless if there's any power in a battery or gas in a gas generator)?
62. Does the Government rely on these capacity targets because they lend weight to battery storage over more robust sources of supply?
63. When will the Government publish an assessment of the unserved energy outlook, post Eraring, to give consumers a projection of likely time in blackouts?
64. What is the projected cost, per MW/hr, in NSW of the firming needed for intermittent renewables under the EI Roadmap?
65. What advice has Matt Howell of Tomago given the government on the outlook for his plant post-Eraring?
66. How much load shedding will Tomago have to bear post-Eraring? What is the maximum projected period it will be without electricity supply in shut-down?
67. How can NSW proceed with ESG principles in its fund investment strategies without knowing what this will cost the budget in maximum returns foregone?
68. Why wasn't an independent ESG reviewer chosen instead of Pru Bennett who has financial interests in this area and is a fully paid-up member of the ESG fan club?
69. If the post-Eraring jobs plan is going to cost the NSW Government \$500-600,000 per job, why doesn't the Treasurer give the money to the workers to make their own investment, training and job plans? Why does the Treasurer think he can create a better economic future for these workers than they can create for themselves?
70. What is the Treasurer's target for bringing the NSW Budget back into surplus under his Fiscal Repair Plan?
71. What advice has the Minister received about the energy situation in Europe, where over-reliance on renewables has governments scrambling for baseload power from new nuclear, gas and coal? What has the Minister learnt from the European energy shortages?
72. When will NSW produce its first solar panels and wind towers, instead of its over-reliance on China?
73. Why can't Energy Australia source any hydrogen for Tallawarra B?
74. Is the Minister aware of moves by the owners of Energy Australia to sell out? What would be the consequences of a green investor buying the NSW assets and closing Mount Piper and Tallawarra B?

75. Does the Minister support Federal Labor's Safeguard Mechanism policy as a complement to his own climate change, Net Zero agenda? Could he work with the policy if there's a change of Federal government?
76. In hindsight, will the Minister now correct his answer regarding his claim of no meetings with Gladys Berejilkian and Leslie Williams?
77. Does the Minister recall on 10 December 2019 declaring the NSW bushfires as "the new normal" and that "the emergency is not changing" and that "We now have longer, drier periods, resulting in more drought and bushfire"? Why does the Minister continue to defy established climate science by conflating weather events with long term climate change, as he is now doing with the NSW floods?
78. Why doesn't the Minister follow the findings of the Ross Garnaut Report to the Rudd Government, using the best available climate science, that no one severe weather event can be linked to climate change? Where are the bushfires he predicted as the 'new normal' in the two subsequent wet and mild summers in NSW?
79. When will the Minister stop linking single weather events to climate change and damaging the climate advocacy he professes to hold dear for "saving the planet"?
80. Has Energy Australia had any discussions with the Minister and/or his Department on
 - (a) problems with operating its Mt Piper plant because of coal supply difficulties and/or
 - (b) the prospect of early closure of the Mt Piper plant?