Australian Clean Energy Summit 2025 – Speech Notes

Ross Rolfe, Board Chair of the Clean Energy Council

Good Morning everyone and welcome to the Australian Clean Energy Summit.

Can I begin by also acknowledging that we are meeting on the ancestral lands of the Gadigal people. They and other peoples of the Eora nation lived on the shores of this great harbour, the coastline of what is now Sydney, and its hinterland since time immemorial. Reflecting on this truth also leads us to remember that the landscapes that are hosting the energy transition are also the lifespaces upon which countless generations of Aboriginal people have written their history and their culture. As we seek to deliver the energy transition we need to recognise that understanding and respecting this history is a powerful obligation on all of us.

I'd also like to acknowledge the Honourable Penny Sharpe, the NSW Minister for Climate Change, Energy, Heritage and the Environment. The Minister is here with us today and will shortly deliver the keynote address. Thank you, Minister, for doing us this honour.

More Broadly, I thank you all of you here today who have contributed to bringing this event together for your ongoing commitment to making the energy transition a reality.

It is my privilege to open this summit.

Before handing over to our keynote speaker, Minister Sharpe, I propose to offer some general comment on some of the key themes that loom on our industry's horizon as we continue our journey towards a decarbonised Australian economy.

For context, few of us predicted 6 months ago that our industry would be in the position we are today. After more than 15 years of policy uncertainty we find ourselves, at least comparatively speaking, on the threshold of a period of potentially sustained policy stability. The national government and most of the states now have clear targets and objectives and a raft of thoughtfully integrated programs to facilitate their achievement. As a result, we are entitled to a collective sigh of relief and to give thanks to the Australian voting public who have chosen to stay

the course in their support for a future national energy system underpinned by firmed renewable generation and storage.

That said, this support places on our shoulders a heavy duty to deliver – and deliver in a way that:

- Efficiently supplies our customers with affordable and reliable energy,
- Maximises the potential of the energy transition to reshape the national and regional economies so as to provide future generations with a high quality of life
- Minimises the adverse impacts of the transition on affected communities and individuals and,
- Protects (and potentially repairs) the natural environment

This is not an easy task. There are many challenges that we need to tackle. Today I will briefly mention only 5.

First, we need to recognise that we are reinventing the Australian power system. This system is a physical operating system that must function to supply energy to Australian consumers and power the economy. The technical challenges in transforming the legacy system dominated by large scale baseload thermal generation into one reliant on spatially distributed intermittent generation are substantial. To maintain power system integrity and ensure continuity of supply to customers we must face many challenges. These challenges require technical solutions, system planning responses and investment in technologies that can manage interruptions to production (of varying duration) and high levels of market volatility. If we fail, the consequences for the society and economy are huge and we risk causing a material set back in transitioning to a decarbonised future. We must therefore, as an industry, ensure that we are promoting policies prevent this from happening.

Secondly, the energy market needs to enable the capital markets to invest with confidence to deliver the transition. The current energy market was not really designed with the scale of the current challenge in mind. Rather it was designed to efficiently price and allocate energy

produced from an already mature power system. It was also designed to incentivise new investment in response to incremental growth in demand and replace plant as it approached the end of its service life. But it is now being asked to recontruct and transform the entire system over the course of a few short decades.

The absence of a signal to price carbon emissions has meant that the market is an imperfect structure to usher thermal generation out of the system and methodically replace it with cleaner forms of energy production. The political consequences that arise from (legitimate) fears of system failures have further complicated the ability of the market to function effectively as a whole. Hence we have seen, totally understandable, interventions by governments in recent years to artificially extend the life of aging coal plant and correspondingly underwrite investment in new entrant renewables and storage.

The byproduct of these interventions is the erosion of value of existing investments in power generators that do not enjoy such protections. The owners of this plant are, however, often the very companies whose balance sheets must be relied upon to invest in the transition going forward – and whose owners must have confidence in the market to do so. Hopefully Tim Nelson's review will assist in designing a future market that will offer governments greater confidence in the market mechanisms to deliver the transition without fear of interruptions to supply and the corresponding need to intervene. I also believe that Ross Garnaut also intends to explore this topic later today.

Thirdly, we need to recognise that delivering the transition does, inevitably, impact regional communities, landscapes and ecosystems. This raises complex challenges for governments (national, state and local), power system planners and companies that develop and operate the infrastructure. There is clearly a state and national interest in ensuring that the future power system functions in a robust and efficient way. Equally, as long-term owners and operators of the infrastructure, the industry must satisfy the communities that host our plant that there are genuine net benefits from the change that they are experiencing. It is therefore encouraging to see that many of the companies leading this transition are increasingly working together - along with local and state governments to maximise the positive outcomes and minimise the negative

impacts. While regional strategies must, of course, be customised to reflect the local needs and circumstances, there are often common features. Some of these include:

- Regional infrastructure plans that are collaboratively developed by the companies proposing developments in the region, the local authorities and state agencies. These plans are designed to create a future legacy of roads, telecommunications, water, housing and other infrastructure that will be better than existed prior to the transition
- Jobs and training strategies to maximise opportunities for local residents to pursue careers in the energy sector- both during construction and operations. We all know that the skills needed to support the transition are in short supply. Investing in the people that will be required to build and operate the power system is an urgent priority and one that is driven by a powerful combination of altruism and self interest. In these circumstances we should, therefore, be doing far better than we are.
- Local supply chain strategies to maximise the potential for local businesses to participate. This involves ensuring that existing Australian businesses and industries benefit from the spend on the transition. It also involves working with governments to facilitate new local supply chain capabilities wherever possible.
- Regional environmental plans to deliver nature positive outcomes. There is no doubt that the traditional approvals processes are failing to meet the expectations of both developers, communities and the environment. The proposed reforms to the EPBC Act and its administration, I believe, offers the prospect of addressing this problem. The promotion of bioregional planning, the setting of national standards and greater certainty of decision-making processes offer hope for a scientifically sounder, more streamlined system that will improve outcomes for both the environment and the economy.
- Strategies to support the diversification of the local economy in accordance with regional economic development plans where possible. Increasingly communities are identifying the potential of the transition to enable them to realise the broader economic opportunities in their regions. This can include decarbonising existing industries in the mineral and agricultural sectors as well as facilitating new investment through value adding processes or energy intensive data processing. This is an area that will no doubt

continue to evolve as communities appreciation of the energy transition's potential to support regional economic development grows.

The fourth key challenge, of course is transmission. We need to find ways to accelerate the roll out of new transmission infrastructure. This will enable access to both existing and new frontiers of renewable generation in a way that strengthens the national grid. It will also allow us to harvest the vast inland wind and solar resources in each of the eastern Australian mainland states and minimise the impacts on agriculturally productive land, regional communities and the environment. Tapping these resources will also facilitate the supply of green energy to new minerals provinces and green energy export industries. Achieving this goal will require a high level of collaboration between industry, government and regional communities as well as a shared long term vision of the nations energy future.

Finally we also need to recognise the critical contribution of consumer energy resources or distributed solar generation and battery storage to the future energy system. This sector is already punching well above its weight in delivering the transition and the advent of household batteries and electric vehicles will provide fresh impetus for investment by everyday Australians. The policy settings that assist in catalysing this process are critical. The efficient integration of this resource into the power system and the operation of the market should be a priority for the industry and policy makers. In that regard the CER Roadmap will hopefully be a vital guide if we are to realise the potential of this massive resource to deliver the decarbonisation targets.

Realising the potential that the energy transition presents for current and future Australians is a solemn but exciting responsibility for all of us here today. Hopefully the speakers and panel discussion will help us all to find ways to effectively tackle the many challenges that lie ahead. From my own perspective, and that of the CEC Board the critical ingredient to success is collaboration – collaboration between companies, between sectors, with local, state and federal governments and their agencies and with the communities and customers we serve.

In closing can I express my heartfelt thanks to the staff and executive leadership of the CEC in staging this event. I am sure you all appreciate that a huge amount of thought and planning is invested in ensuring that the summit examines the key factors influencing the nature and pace of

the transition. To that end it is also appropriate to pay special tribute to Kane, Arron and Ashley for the contribution that they have made over many years towards the CEC and the credit they rightfully deserve in sharing in the industry's success. We thank each of you and wish you every success on the next step in your career journey.

Thank you and I hope you enjoy the summit.