

ACT's Integrated Energy Plan

Response to ACT Government Position Paper
Questions

Georgia Holmes

11 August 2023



Introduction

Master Electricians Australia (MEA) is the trade association representing electrical contractors recognised by industry, government and the community as the electrical industry's leading business partner, knowledge source and advocate. Our website is www.masterelectricians.com.au

MEA would like to thank you for the opportunity to participate in the online consultation regarding ACT's Integrated Energy Plan. Many great points were raised by the panel, which MEA are in agreement with. Below is a written response to the questions raised in the ACT Government Position Paper *Canberra is Electrifying: Towards a net zero emissions city*.

Consultation Questions

Integrated Energy Plan

Do you think the proposed Integrated Energy Plan principles to guide the ACT Government will support a successful transition to electrification in the ACT? Are there any areas missing?

- MEA believes there will be significant challenges in the decommissioning of gas networks with existing dwellings and businesses.
 - The electrical infrastructure is expensive to retrofit with cabling for the increased capacity. The problem has been identified but no solutions have been proposed.
 - As consumers gradually become fully electric, gas companies will experience a diminishing rate of return as they continue to supply and maintain the network.

Developing the Future energy Network and Sharing the Costs

What are the barriers to uptake of consumer energy resources and other technology, such as batteries, solar panels and electric vehicles?

- The economics for home BESS don't stack up yet for individual households, however with the price of electricity rising 25% per annum, this gap is closing.
- A game changer could be swiftly implementing the framework for the introduction of bi-directional EV Tariffs. ACT already has the highest EV uptake in the country. The dual-purpose nature of EVs for transport and household BESS make the value proposition "stack up".
- MEA also strongly recommend the introduction of non means tested rebates for the installation of home batteries.

Do you think there is any benefit for a staged transition approach following an initial consumer-led transition? What would be the barriers of such an approach? For example, after 2030, this could be a suburb-by-suburb staged transition approach.

- If the decommissioning of gas networks is to be pursued, a suburb-by-suburb approach would be best.
- The slow death for the gas network from consumers leaving it would make it unviable for any provider to maintain it safely within a relatively short span of time.

Electrifying our Community

What can be done to further encourage electrification among those households that have the means to do so?

- Rebates for electrical infrastructure upgrades for existing dwelling.
- Introduction of bi-directional EV tariffs. For BESS and EVCs.

Is there a role for regulation to support the community when choosing between gas and electric appliances?

- As has been undertaken in other jurisdictions, incentives for energy efficient electrical appliances such as split system ACs, induction cooktops, heat pump dryers and HWSs.

How could point of sale information support consumers when replacing appliances or should gas assets be disclosed in a property transaction (sale or rental)?

- If the policy is to be pursued, then yes disclosure should take place at point of sale.

Which members of the community are most at risk of being negatively impacted during the transition?

- Low-income households
- Rental tenants
- Landlords
- Retirees on fixed incomes.

If we were to provide targeted support for low-income households or those who can't transition themselves, what could this be?

- Grants or no-interest loans.
- Incentives to landlords to upgrade/transition.

Electrifying Complex Buildings

How can Government work with industry and financiers (such as green finance and investors) to electrify complex buildings?

- Perhaps working with electricity retailers to use their balance sheet to provide \$0 up front upgrades and transitions to their customers that can be paid off using power bill (similar to solar and battery schemes already offered)? Retailers would end up with customers using more electricity and become more "sticky", with a disincentive to change retailers.



What should be the role of body corporates in preparing for the transition?

- Educational

Electrifying Business

What are the different transition challenges for small to medium business and how could existing programs be improved?

- SMEs generally run on lower margins so anything affecting cashflow and larger outlays of capital is a risk for them. Some businesses in cooking or manufacturing may rely on the intense heat for some processes that currently only gas delivers. Upgrades and retrofitting of equipment will be expensive and disruptive and have a high potential of causing business closures.

Electrifying Industry and Heavy Transport

How can we best transition industrial zones and infrastructure, and heavy transport away from fossil fuel gas?

- For some of these, there is currently no economically viable alternative to gas. There are studies to support the use of Hydrogen fuel cells for heavy transport vehicles and battery EVs for commuter transport.

Skills and Workforce for the Transition

How can we increase the number of skilled workers in electrical trades?

- Have an integrated and intentional VET in Schools program that delivers Cert2 pre-vocational courses and work experience, for not just electrical, but for all STEM trade occupations.
- Increase the status of VET in high schools and prioritise VET careers as an equal cohort to ATAR. Schools are currently primarily judged successful by ATAR outcomes alone.

What opportunities exist for industry wage and work conditions, that could assist with workforce attraction and retention?

- Increasing the status of VET trades as a career, highlighting the zero debt for training, high commencement wages once trade cert completed, and career pathways for advancement.

How can we best support gas workers to transition their skills to be part of the net zero economy, for example in electrical trades, sustainable buildings and electric vehicle auto servicing?

- Plumbing would probably be the closest allied trade for skills transfer, electrical would be a completely new apprenticeship with little skills cross-over or RPL. If Hydrogen is used in heavy transport or industry, there would be a clear pathway for gas workers.

What may be some potential barriers associated with achieving the proposed ranges?

- Consumer take-up, availability of alternative plant and equipment.

Conclusion

MEA advocates for an initial focus on implementing sufficient DER infrastructure to maintain and manage the increased demands expected of the electricity grid. This consumer-based approach should introduce the use of bi-directional EV tariffs for BESS and EVCs.

The existing skills shortage has a high potential to deteriorate as the ACT electrification initiative gains momentum, unless remedial action is undertaken now. It is the position of MEA that VET courses should be integrated and streamlined as subjects in schools, given an equal weighting of importance as ATAR. Those entering the workforce will be better equipped and it will also provide better aptitude screening opportunities to match the right people with the right trade and increase completions.