



01 JUL, 2022

Australia needs US\$9bil in grid investment for energy transition

The Star, Malaysia



Page 1 of 2

Australia needs US\$9bil in grid investment for energy transition

MELBOURNE: Australia urgently needs about A\$13bil (US\$9bil or RM39.6bil) in transmission investments to jumpstart the transition to renewable energy (RE), the country's energy market operator says in a closely watched long-term plan for the grid.

The plan, two-years in the making, came out just as Australia emerged from a power crunch amid several coal generation outages and soaring coal and gas prices which nearly led to blackouts.

The A\$13bil (RM39.6bil) worth of network investments that the Australian Energy Market Operator (Aemo) said were needed in the near term made up just 7% of the total investment it estimated would be required in generation, storage and transmission by 2050.

"A clear message from our stakeholders and recent market events is that our energy system transformation is accelerating and irreversible," Aemo chief executive Daniel Westerman said in the Integrated System Plan.

The plan is based on a scenario that annual electricity consumption will double by 2050 as transport, heating, cooking and industrial processes are electrified, and 60% of coal-fired power capacity will retire by 2030.

The latest plan is closely aligned with the new Labour government's pledge to cut Australia's carbon emissions by 43% from 2005 levels by 2030, Aemo said.

In the six months since a draft was released, top power providers AGL Energy and Origin Energy have accelerated plans to shut their coal-fired power plants, highlighting the need to speed up construction of transmission to handle more RE capacity.

"Investment in low-cost RE, firming resources and essential transmission remains the best strategy to deliver affordable and reliable energy, protected against international market shocks," Westerman said.

The five key transmission projects needed would bolster connections within and between the states of New South Wales, Victoria, South Australia and Tasmania. — Reuters