



CLIMATE ENERGY FINANCE

Here we go again: Rooftop PV + SMRs + CCS the latest play in the LNP ‘disrupt and delay’ handbook

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Here we go again – the latest salvo from the climate laggards of the National Party designed to disrupt and delay Australia’s accelerating clean energy revolution. This time, it is couched in the tactically crafty but deeply cynical and flawed view that distributed renewables – minus utility-scale – are the solution to electricity grid decarbonisation.

As the Nationals call for a moratorium on the approval and deployment of large-scale wind and solar, big batteries and transmission – even as Rio Tinto makes two landmark [wind](#) and [solar](#) power purchasing agreement announcements in Queensland – leader [David Littleproud is now spruiking](#) for a massive rooftop solar and batteries subsidy scheme as the panacea of our energy transition firmed up with – you guessed it – the fantastical vapourware combination of “[nuclear](#) and carbon capture and storage (CCS) on coal and gas.” An SMR in every backyard! All without a price on carbon emissions!

First, let’s get this straight. The Coalition’s bona fides have been on graphic display as it aggressively campaigns to derail the renewables rollout, whipping up community dissent by spreading disinformation, i.e, Climate Wars 2.0. Anything they say must be considered with an eye to this context.

Secondly, accelerating utility-scale firmed renewables while unlocking and incentivizing cleantech industry development *and* scaling demand-side stimulus – for example, support to households to solarise and electrify – are mutually complementary. Both are essential to accelerate our whole-of-economy energy transition at speed and scale, leverage Australia’s decarbonisation potential and maximise the economic, social and climate mitigation outcomes. CEF totally endorses CER – fast to deploy, scalable and cost-competitive – and we call for strong policies to incentivise accelerated deployments of [commercial and industrial \(C&I\) rooftop solar](#), given it is entirely commercially viable today.

But to focus on one aspect at the expense of the other would be a costly strategic misstep that Australia can ill afford as we stand on the brink of unprecedented opportunity, not only to transition the consumer, commercial and industrial energy ecosystem to solar, batteries, heat pumps, EVs, demand response management and so on, but to ensure grid stability by

leveraging geographic and technology diversity of supply to power our future as a zero-emissions trade and investment leader. This requires that we continue and accelerate our large-scale rollout of wind, solar, big batteries and transmission.

The false dichotomy of distributed versus utility-scale, coupled with the SMR and CCS furphies is just the latest chapter in the LNP's attempt to repoliticise energy transition – and we in Australia know from bitter experience how that story plays out. Delay, disinformation and deception are the standard operating procedures of the global fossil fuel cartel and their political brethren.

Countries the world over are moving to prioritise energy security and independence with monumental investments in domestic utility-scale firming renewables, and at the same time looking to build distributed, decentralised energy and secure their critical minerals and energy transition materials supply chains.

For example, [China](#), which dominates the world on every decarbonisation front, put on an absolutely world leading 293GW of utility solar and wind in calendar 2023 (up 99% year-on-year), as it looks to pivot its economy for the rapidly approaching zero-emissions future. And zero emissions industry investment drove [40% of China's 5.2% GDP growth](#) in 2023.

In the US, the [\\$US1tn Inflation Reduction Act](#) is the largest subsidy program in world history and has catapulted the US back into the global energy transition race. On the industry side it has pulled onshore an unprecedented boom in public and private investment into mining, refining, and manufacturing, but also into massive deployments of large-scale firming wind and solar. Every week there have been yet more [massive transformational investments](#) into new US manufacturing facilities.

In parallel, the US has scaled demand-side clean tech stimulus including low cost financing and multiple incentives programs for electrification of homes, appliances, transport and businesses. The US Department of Energy [Loan Program Office](#) is deploying a massive US\$400bn of public patient strategic capital at speed and scale to crowd-in private investments, both domestic and foreign.

It is a model of the immense benefits of landmark public sector investment in economy-wide decarbonisation, reindustrialisation and cleantech supply chain, as we [outlined](#) in August in our summary of its impacts, one year since its introduction. We now call on a considered and strategic [Australian response](#) to the US IRA in Treasurer Chalmers' 2024 Budget.

Australia has some of the world's largest reserves of critical minerals including lithium, metals and energy transition materials that underpin the global green revolution, as well as superabundant renewable resources. This gives us an extraordinary opportunity to value-add and export "embodied decarbonisation" by using zero-emissions power to process these materials onshore pre-export. For this, we need both utility-scale and distributed renewables and batteries in a decarbonised grid.

Today CEF has released our [analysis](#) of the game-changing Queensland government policy and public investment program – underpinned by the \$62bn Energy and Jobs Plan – that is catalysing enormous new private investment into the state, led today by [Rio Tinto and Windlabs](#). This is transforming the state’s economy from its current overdependence on methane gas and coking coal export towards zero emissions industries of the future, powered by firmed renewables and a smart, fit for purpose transmission grid, working for the people and industries of Queensland, rather than serving the financial interests of foreign sovereign wealth funds, as has unfortunately been the case in NSW, South Australia and Victoria.

We recently [analysed](#) the significant lift in ambition and investment in NSW of recent months, as the pipeline of utility-scale renewables dramatically ramps up after years of [ridiculously long approval times](#) and inertia.

We also note the importance of government derisking the energy transition landscape to mobilise capital at scale, such as our massive [\\$3.6 trillion](#) of Australian pension capital. Federal Energy Minister Chris Bowen’s fourfold expansion of the [Capacity Investment Scheme](#) is an excellent tool, fit-for-purpose, driving massive new investment whilst creating significantly increased firmed renewable supply to permanently drive down electricity costs for all, even as it enables industrial decarbonisation at the scale required to position Australia as a zero-emissions employment, trade and investment leader.

Fortunately the states and the federal government are getting on with the job after a devastating decade of energy policy failure under the incorrigible denialists – those now selling us rooftop PV + SMRs + CCS.

As a nation, let’s hope we know better than to buy a bridge from those shysters.