

Request for Costing an Election Commitment

Name of proposal:	Real Climate Leadership
Person requesting costing:	Shane Rattenbury MLA
Date of request:	10 October 2024
Summary of proposal:	<p>This proposal will deliver climate action that cuts the cost of living and provides targeted support to those who need it, enabling everyone to be part of building a bright, zero emissions future for Canberra.</p> <p>Our proposal will:</p> <ul style="list-style-type: none"> • Fully fund gas to electric upgrades for 5000 lowest income households. • Establish a nation-leading Electrify Canberra Skills Hub at CIT to deliver practical training and skills development in electrification and zero emissions technologies. • Install 7MW of solar panels on ACT Government buildings (enough to power more than 4000 homes). • Deliver Electrify Canberra pilot projects to demonstrate all-electric precincts and apartment building solutions. • Deliver an advisory service to support the end-of-life replacement of shared gas hot water systems in apartment buildings with electric systems. • Expand the Solar for Apartments program to help more apartment building residents to install solar panels. • Expand the Community Zero Emissions Grants program. • Establish a Climate Solutions Fund to support start-ups, research and innovation in zero and negative emissions technologies and battery and solar panel reuse and recycling solutions with a focus on developing industries and expertise in the ACT.
Issue the proposal will address:	<p>We face a climate crisis that requires urgent action. In responding, we have an opportunity to create a brighter future for all of us, positioning the ACT as a leader in zero emissions innovation and skills. This proposal offers a comprehensive plan for cutting emissions, electrifying our city and ensuring an equitable transition that supports those who need</p>

	assistance.
Proposal's public announcement details (media release or policy statement published on a party website) ¹ :	https://greens.org.au/act/policies/climate#climate

What are the key assumptions that have been made in the proposal?

Note: The costing will be developed on the basis of information and assumptions provided in the costing request. The professional judgment of the Under Treasurer will determine whether these assumptions are adopted in the costing of the proposal.

Fully fund gas to electric upgrades for 5000 lowest income households

The cost of \$50 million is based on an average cost of \$10,000 per household, for 5000 households (including administration costs). This includes an estimated \$48 million for upgrades and \$2 million for staffing, monitoring and evaluation.

\$1.7 million staffing (1 SOGC, 1 ASO6, 1 ASO5) from January 2025 to June 2028, for administration and monitoring. \$300,000 for evaluation.

Establish a nation-leading Electrify Canberra Skills Hub at CIT

Based on initial investment of \$5 million, with additional funding to be leveraged from external agencies where possible. This includes \$3.1 million in staffing – skills trainers - (1 SOGC and 1 ASO6 in 2024/25 from January 2025, then 2 SOGC and 4 ASO6 positions from 2025-26 to 2027-28) and \$1.9 million in setup costs, training and equipment.

Install 7MW of solar panels on ACT Government buildings

Capital cost of \$14 million is based on a report by ITP Renewables, commissioned by EPSDD in 2021. The report estimated potential electricity bill savings at \$33 million over 20 years, or \$1.65 million per year. Electricity bill savings have been included as an offset. Administration to be covered by existing staffing levels.

Deliver Electrify Canberra pilot projects

\$5 million including \$4.54 million in grant funding for pilot projects and \$0.46 million for 1 ASO6 position from 2025/26 to 2027/28.

Deliver an advisory service to support the end-of-life replacement of shared gas hot water systems in apartment buildings with electric systems

\$2 million including \$1.2 million for 1 SOGC and 1 ASO6 position from January 2025 to June 2028, \$0.8 million for external advice and equipment.

Expand the Solar for Apartments program

An additional \$6 million in grant funding. Administration to be covered by existing staffing.

Expand the Community Zero Emissions Grants program

\$1.5 million in grant funding. Administration to be covered by existing staffing.

Establish a Climate Solutions Fund

\$5 million in grant funding. Administration to be covered by existing staffing.

¹ As per Part 2, section 5 of the *Election Commitments Costing Act 2012*

What are the estimated revenue and operating costs each year (if available) and what are the capital requirements for this proposal and estimated costs each year (if available)?

	2024-25	2025-26	2026-27	2027-28	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue^(a)					
Expenses^(a)	-1,200	-17,400	-28,909	-27,918	-75,427
Capital^(a)	-1,000	-3,000	-5,000	-5,000	-14,000
Depreciation^(a)		-100	-400	-900	-1,400
Offset - Expenses^(a)		500	1,000	1,650	3,150
Offset - Capital^(a)					
Full-time equivalent employees	4	14	14	14	

(a) A negative number indicates a decrease in revenue or an increase in expenses, depreciation or capital outflows. A positive number indicates an increase in revenue or decrease in expenses, depreciation or capital inflows. The expenses row is not to include depreciation costs.

Has any specific information or data been utilised in generating the proposal? Please provide links or attach information/data sources referenced.

No

Where relevant, is funding for the proposal to be demand driven or a capped amount?

Capped

Will third parties, for instance the Commonwealth or other State/Territories, have a role in funding or delivering the proposal? Does the proposal provide additional funding to, or redirect, any existing Commonwealth/State or Territory funding arrangements?

There is potential for additional funding to be leveraged from the Commonwealth or other partners, but this proposal does not rely on external funding.

Will funding/the cost require indexation?

No

Who will administer the proposal?

EPSDD and CIT

How will the proposal be administered?

New staffing has been included for some elements of the proposal. Other elements are proposed to be covered by existing staffing levels.

Is the proposal part of a broader package? If so, please identify the other elements of the package.

This proposal is part of a broader initiative that includes the following measures, all of which are considered to have no cost, being delivered with existing resources:

- Prohibit the installation of new gas appliances in homes and businesses from 2027.
- Review and improve the Utilities Concession to better support eligible low income

households.

- Streamline the gas abolishment process and investigate options for reducing cost to households and businesses.
- Minimise solar export curtailment for example through increased grid capacity or storage.
- Ensure an equitable smart meter rollout by implementing new safeguards to protect consumers from upfront costs and unexpected changes to tariffs.
- Deliver an additional 300MW of battery storage in the ACT. This was not included in this costing request as the cost would be subject to commercial negotiations and the market is changing rapidly meaning a cost estimate would likely be incorrect. Depending on the commercial model adopted, this could come at no cost to the Territory or could require initial investment that would be paid back over time.
- Work with industry and regulators to develop an Electricity Network Resilience Plan to ensure our network is prepared for the projected increase in frequency and severity of storm events.
- Update the ACT's greenhouse gas emissions reduction targets to increase ambition and reflect the latest climate science.
- Deliver a new ACT Climate Change Strategy in 2025/26 with increased ambition and a strong focus on ensuring a just transition and building resilience to climate change impacts.
- Commit to scope 3 (embodied) emissions declining from 2028 onwards and publicly report on progress.
- Make climate change a central focus in government decisions by introducing quantitative and qualitative climate assessments for all budget decisions over \$5 million.
- Switch the ACT Government to a climate-friendly banking provider.
- Ban fossil fuel advertising at ACT Government venues, bus shelters and events (in addition to already being banned on buses and light rail).
- Continue the Community Zero Emissions Grants program and increase the available funding to support community climate projects.
- Develop a plan for all ACT Government events to be powered by 100% renewable electricity, phasing out the use of diesel generators.

Has an allowance been made for expenses necessary to support the implementation of this proposal?

- If no, will the government agency be expected to absorb expenses associated with this proposal?
- If yes, please specify the key assumptions.

Yes, as outlined in the assumptions section.

Will the proposal generate savings or offsets? If so, please quantify any savings or offsets.

Yes but they are not included as they are unknown. There will be electricity bill savings resulting from the installation of solar panels on ACT Government owned buildings.

Has the proposal been previously costed by an external (third) party? If so, will a copy of this material, including any assumptions, be made available to Treasury?

The solar on government buildings aspect was costed by ITP renewables in 2021. We only have

summary information from that report. The cost of upgrades for 5000 low income households is based on analysis by EPSDD during development of the Integrated Energy Plan.
What are the community impacts associated with the proposal? Who and how many people will be affected?
The proposal will deliver energy efficiency upgrades for 5000 lowest income households. This will deliver cost of living relief through reduced energy bills and will make for healthier homes that are better able to be heated and cooled, supporting better health outcomes. Community groups will receive more funding through the Community Zero Emissions Grants. People living in apartments will benefit from the measures supporting them during the transition. Local businesses and researchers will benefit from the Climate Solutions Fund.
Are there any transitional considerations associated with implementation of the proposal? If so, how will they be managed?
No
What is the intended implementation date of the proposal?
From January 2025 to June 2028.
When is the proposal expected to be fully operational? Please provide details such as the start and end dates, the level of commitment during each period etc.
<p><u>Fully fund gas to electric upgrades for 5000 lowest income households:</u> From January 2025, fully operational from 2025/26.</p> <p><u>Establish a nation-leading Electrify Canberra Skills Hub at CIT:</u> From January 2025, fully operational from 2025/26.</p> <p><u>Install 7MW of solar panels on ACT Government buildings:</u> Installation from January 2025, ramping up to full scale installation by 2026/27.</p> <p><u>Deliver an additional 300MW of battery storage:</u> Development work from July 2025, implementation from 2026/27.</p> <p><u>Deliver Electrify Canberra pilot projects:</u> Development work from July 2025, implementation from 2026/27.</p> <p><u>Deliver an advisory service to support the end-of-life replacement of shared gas hot water systems in apartment buildings with electric systems:</u> From January 2025, fully operational from 2025/26.</p> <p><u>Expand the Solar for Apartments program:</u> From 2025/26.</p> <p><u>Expand the Community Zero Emissions Grants program:</u> New funding will come into place in 2025/26 (already funded for 2024/25) and continue.</p> <p><u>Establish a Climate Solutions Fund:</u> From July 2025, fully operational from 2026/27.</p>
Will the proposal cease, and if so, when?
Some elements will cease once the quote is reached e.g. 5000 households, 7MW solar, 300MW battery, pilot projects for apartments, Solar for Apartments, Climate Solutions Fund. Others would continue e.g. Electrification Skills Hub, advisory service for apartments.
Is there any additional information relevant to this proposal?
No